

AN ASSESSMENT OF MANAGERIAL KNOWLEDGE, SKILLS AND ATTITUDES REQUIRED FOR IMPLEMENTING PERFORMANCE MANAGEMENT SYSTEM FOR ORGANISATIONAL PERFORMANCE AT NEWCASTLE MUNICIPALITY

by
Muzomuhle Bhengu

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Supervisor: Mr. Zwelinzima Ndevu

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DECLARATION

I, **Muzomuhle Bhengu**, hereby declare that this thesis in its entirety is my original work and I am the sole author. All sources consulted have been acknowledged and accurately referenced, and were only utilised to fulfil the purpose of this study. I also declare that this thesis or parts thereof have not been previously submitted to any other university for the purpose of obtaining an academic degree. Stellenbosch University holds the reproduction and publication rights and the rights held on this thesis will not in any form infringe any third party from making reference to this thesis.

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Date 07 October 2014

ABSTRACT

In South Africa, Performance Management Systems (PMSs) are widely implemented in municipalities to monitor and evaluate service delivery mechanisms for the purpose of improving organisational performance. The implementation of an effective PMS depends on several factors, including human elements. Therefore, the purpose of this research at Newcastle Municipality in KwaZulu-Natal was to assess the available managerial knowledge, skills and attitudes required for implementing an effective PMS for organisational performance.

A qualitative research design was employed to describe the performance management processes currently implemented at Newcastle Municipality and the characteristics of these processes. A quantitative survey method was useful for collecting data and for precluding the management and performance practitioners identified through a stratified sampling method from providing data that was not within the scope of this research.

The research found that managerial knowledge and skills were available and adequate at Newcastle Municipality. Despite these findings, there was a minor but significant need to improve existing managerial skills. Furthermore, the research uncovered mixed reactions towards managerial attitudes and it was difficult to determine the purpose of the implementation of PMS at the municipality and the attitude of members towards it. This was because the majority of respondents provided neutral responses to the question of whether there was a lack of positive attitude towards PMS from members in the organisation and because an equal number of respondents agreed and disagreed that PMS was implemented to comply with legislation rather than used as an internal control measure. Other attitudinal data contradicted the abovementioned findings on managerial knowledge and skills owing to the common feeling among respondents that knowledge and skills pertaining to the implementation of PMS were lacking in the municipality and that the municipality did not have the capacity or sufficient resources to implement PMS. It was concluded that the interaction between performance managers and existing Knowledge Management (KM) sharing practices at Newcastle Municipality probably contributed to an increase in managerial knowledge and skills. Future research is proposed to confirm this assumption.

Furthermore, owing to discrepancies in feedback on managerial attitudes, the entire study conducted at Newcastle Municipality should be replicated in a similar setting in order to improve the reliability of its findings. It is recommended that future research should utilise a combination of quantitative and qualitative data-collection methods to grant participants the opportunity to explain their rationale for indicating a particular attitude in the questionnaire. This will also assist prospective researchers to formulate a specific viewpoint of respondents' attitudes towards the implementation of an effective PMS, which will contribute to the corpus of scientific knowledge about PMSs by highlighting the real causes of PMS implementation failure.

OPSOMMING

In Suid-Afrika word prestasiebestuurstelsels (PBS'e) algemeen in munisipaliteite geïmplementeer om dienslewering meganismes te monitor en te evalueer. Die doel hiervan is om organisatoriese prestasie te verbeter. Die implementering van 'n effektiewe PBS berus op verskeie faktore, onder andere menslike elemente. Daarom was die doel van hierdie navorsing om kennis, vaardighede en ingesteldheid met betrekking tot bestuur, wat verlang word om 'n effektiewe PBS in munisipaliteite te implementeer, te assesser ten einde organisatoriese prestasie te verbeter. Hierdie studie is by Newcastle Munisipaliteit in KwaZulu-Natal uitgevoer.

'n Kwalitatiewe navorsingsontwerp is gebruik om die prestasiebestuurprosesse wat tans by Newcastle Munisipaliteit geïmplementeer word, asook die eienskappe van hierdie prosesse, te beskryf. 'n Kwantitatiewe opname is gedoen om data in te samel en te verhoed dat bestuurders en prestasiepraktisyns, wat deur 'n gestratifiseerde steekproefmetode geïdentifiseer is, data voorsien wat buite die bestek van hierdie navorsing val.

Daar is deur middel van hierdie navorsing bevind dat kennis en vaardighede ten opsigte van bestuur sowel beskikbaar as voldoende is by Newcastle Munisipaliteit. Ten spyte van hierdie bevinding, is daar bepaal dat daar wel 'n klein, maar beduidende behoefte daaraan is om bestaande bestuursvaardighede te verbeter. Verder het die navorsing gemengde reaksies ten opsigte van bestuursingesteldheid ontlok en dit was moeilik om te bepaal wat die doel van die implementering van 'n PBS in die munisipaliteit is en wat lede van die organisasie se ingesteldheid teenoor hierdie stelsel is. Die rede hiervoor is dat die meeste respondente 'n neutrale stand ingeneem het teenoor organisasielede se moontlike tekort aan 'n positiewe ingesteldheid teenoor die PBS en omdat dieselfde hoeveelheid respondente beweer en daarvan verskil dat die PBS geïmplementeer is om aan wetgewing te voldoen eerder as om gebruik te word as 'n interne beheermaatregel. Ander data oor ingesteldheid het die bogenoemde bevindinge oor bestuurders se kennis en vaardighede weerspreek, aangesien respondente oor die algemeen voel dat kennis en vaardighede om 'n PBS in die munisipaliteit te implementeer, te kort skiet en dat die munisipaliteit nie die kapasiteit en genoegsame hulpbronne het om 'n PBS te implementeer nie. Daar is tot die gevolgtrekking gekom dat prestasiebestuurders en

die bestaande praktyk by Newcastle Munisipaliteit om kennisbestuur te deel, waarskynlik bygedra het tot 'n toename in bestuurskennis en -vaardighede. Verdere navorsing oor die onderwerp word aanbeveel om hierdie aanname te bevestig.

As gevolg van die teenstrydighede in terugvoer oor bestuursingesteldheid, word daar aanbeveel dat verdere navorsing onderneem moet word waarin die hele studie wat by Newcastle Munisipaliteit onderneem is, in 'n soortgelyke omgewing gerepliseer word. Dit sal die betroubaarheid van studie se bevindinge kan verbeter. Vir die doel hiervan word daar aanbeveel dat verdere navorsing van 'n kombinasie van kwantitatiewe en kwalitatiewe data-insamelingsmetodes gebruik moet maak om aan deelnemers die geleentheid te bied om te kan verduidelik waarom hulle 'n bepaalde ingesteldheid in die vraelys aangedui het. Voornemende navorsers sal ook hierdeur in staat gestel word om 'n spesifieke perspektief oor respondente se houdings teenoor die implementering van 'n effektiewe PBS te formuleer. Dit sal bydra tot die korpus van wetenskaplike kennis oor PBS'e deur die werklike redes aan die lig te bring waarom die implementering van 'n PBS kan misluk.

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LIST OF ABBREVIATIONS

AC	: Advanced Certificate
AD	: Advanced Diploma
ANC	: Advanced National Certificate
DPLG	: Department of Provincial and Local Government
DPME	: Department of Performance Monitoring and Evaluation
ECF	: Evaluation Competency Framework
GWM&E	: Government-Wide Monitoring and Evaluation
HC	: Higher Certificates
HRM	: Human Resource Management
HRD	: Human Resource Development
IDP	: Integrated Development Planning
KM	: Knowledge Management
KPM	: Key Performance Model
KPA	: Key Performance Area
KPI	: Key Performance Indicator
LG	: Local Government
M&E	: Monitoring and Evaluation
MEC	: Members of the Executive Council
MFMA	: Municipal Finance Management Act
MM	: Municipal Manager
NPM	: New Public Management

NPMAC	: National Performance Management Advisory Commission
OECD	: Organisation for Economic Co-operation and Development
PDP	: Personal Development Plan
PG	: Provincial Government
PGQ	: Post Graduate Qualification
PM	: Performance Management
PMS	: Performance Management System
PMU	: Performance Management Unit
SALGA	: South African Local Government Association
SASQAF	: South African Statistical Quality Assessment Framework
SDBIP	: Service Delivery and Budget Implementation Plan
SDS	: Skills Development Strategy
SED	: Strategic Executive Director
UNDP	: United Nations Development Programme

CHAPTER 1

RESEARCH OVERVIEW

1.1 Introduction

In a world that is constantly changing, it is now more imperative than ever for an organisation to know how it is performing and how it can improve what it is doing. It is concomitantly more urgent for public institutions like municipalities that must deliver public services effectively and efficiently, irrespective of limited resources (NPMAC, 2010:vii). In the current period of financial turbulence and expectations imposed by New Public Management (NPM), public institutions should improve, sustain organisational performance progressively, and then account for managerial actions pertaining to public resources utilised.

Tung, Baird and Schoch (2011:1287) suggest that “to survive in today’s rapidly changing environment, organisations must identify their existing positions, clarify their goals, and operate more effectively and efficiently”. To give effect to this normative, managers must pay attention to the development of an effective and consistent Performance Management System (PMS) in the municipality in order to measure organisational performance successfully; if not, they should revamp an existing PMS that has previously not supported the municipality to attain its desired performance. Therefore, consistent PMS is a “system that covers all aspects of performance that are relevant for the existence of an organisation as a whole” (Flapper, Fortuin & Stoop, 1996:27).

Developing and implementing an effective PMS is fraught with problems. The existing scientific literature on Performance Management (PM) outlines several development and implementation challenges (Newcomer & Caudle, 2011:110). The Organisation for Economic Co-operation and Development (OECD, 2011:40) asks the rhetorical question: “Is the management function in the public sector well equipped to respond to the challenges?” At the core of this study, the need to conduct an assessment of managerial capacity necessary for implementing an effective organisational PMS is inevitable. The findings of this research might help to answer this rhetorical question.

1.2 Background

The conceptualisation of organisational performance is understood as a broad operational process that is championed by managers on a daily basis (Armstrong, (2009:10). It is a management approach which interlinks efforts of individuals to organisational strategic goals (Curtis, 1999:263). Hunter and Nielsen (2013:10) view it as an organisation's ability to achieve goals systematically through intended actions. Esu and Inyang (2009:100-101) conceptualise organisational performance as a process which integrates approaches agreed upon by both the organisation and its managers.

In pursuit of developmental goals and the demand to improve the material conditions of citizens around the world, organisations are adapting their methods towards public management improvement (Morra-lmas & Rist, 2009:105). In South Africa, the Department of Provincial and Local Government (DPLG, 2001:5) identifies PM as a method that will accomplish the developmental goal of government. Section 3.2 of the White Paper on Local Government states that PM ensures that (i) plans are being implemented (ii) and resources are utilised efficiently (DPLG, 1998).

The Municipal Systems Act No. 32 of 2000 was enacted to compel municipalities to develop and implement PMS. The Act stipulates that a municipality should develop PMS that is suited to its contextual factors and that is capable of measuring organisational performance against the developmental goals of government. In an effort to combine synergies in all spheres of government, the Department of Performance Monitoring and Evaluation (DPME) was established in January 2010 to monitor and evaluate the organisational performance of state institutions. The DPME derives its mandate from the Government-Wide Monitoring and Evaluation (GWM&E, 2007) policy framework. According to the Centre for Learning on Evaluation and Results (CLEAR, 2012:10), the DPME is the custodian of GWM&E. The GWM&E becomes the latest policy for managing organisational performance in all state institutions (Presidency, 2007:1).

Following this paradigm shift in management methods and the emerging revolution in the legislation fraternity, a further burden is placed on the shoulders of public institutions and their managers to deliver results effectively. According to the National Performance Management Advisory Commission (NPMAC, 2010:vii), the

time has come for managers to assume the ultimate responsibility of PM in order to ensure that the institutions they lead are attaining results that meet the expectations of the citizens. The PMS has been formalised in the municipality to achieve this purpose (De Waal, 2003:688; Tung *et al.*, 2011:1287).

To heed the call for change, managers of performance in the municipalities must be capacitated to implement PMS effectively. The United Nations Development Programme (UNDP, 2010:8) suggests increasing knowledge through education, training and learning as a mechanism to enhance capacity development. Tung *et al.* (2011:1292-1293) believe that “the provision of training resources indicates that an organisation is willing to provide sufficient resources to support the development and implementation of PMS”. Existing scientific literature has shown a strong correlation between humans and organisational performance (Crook, Todd, Combs, Woehr & Ketchen, 2011:443; Tung *et al.*, 2011:1292). Several authors have confirmed also that knowledge, skills and abilities are significant in the endeavour to induce desirable organisational performance (Crook *et al.*, 2011:444).

It is assumed that knowledge and skills on their own cannot obtain desirable organisational performance, but coupled with positive attitudes organisational performance may improve. To support this assumption, the research conducted by De Waal (2003:694) states that human behavioural factors are significant to the effective implementation and utilisation of PMS. Zairi (1994), cited in De Waal and Counet (2009:377) affirmed that central to the challenges of PMS there is a human element. Human behaviour is an attitude or a feeling about something (*Oxford Advanced Learner's Dictionary*, 2010:80). Schein (2010), cited in Padovani and Young (2012:102), believes that organisational culture can both encourage and discourage certain attitudes. For this reason, Padovani and Young (2012:103) propose PMS that embraces a positive organisational cultural climate. Positive attitudes promote value consensus and the acceptance of PMS in the organisation (De Waal & Counet, 2009:369).

In view of the above background, a scientific investigation of managerial capacity in municipalities is necessary. Therefore, managerial knowledge, skills and attitudes required for implementing an effective PMS should be investigated.

1.3 Significance of the study

The need for efficient and effective PMS has increased in public institutions over the years (De Waal & Counet, 2009:367; Padovani, Yetano & Orelli, 2010:591). According to Linge and Schiemann (1996) cited in De Waal and Counet (2009:367), this was triggered by evidence that has shown that PMS improves organisational performance. Despite all this, the current debate suggests that there is a persistent deficit between desired and actual performance (Padovani *et al.*, 2010:591). According to De Waal and Counet (2009:367), current literature has not reached consensus on the real causal factors of PMS failure. Bourne, Neely, Platts and Mills (2002), cited in De Waal and Counet (2009:368) note the scarcity of scientific literature specific to the implementation of PMS as the main reason for disagreement among researchers. If scientific research pertaining to the implementation of PMS is not undertaken, organisations will face similar problems (De Waal & Counet, 2009:368).

In the light of the above, this research is prompted by the desire to evaluate the managerial knowledge, skills and attitudes necessary for the implementation of PMS at the Newcastle Municipality to improve organisational performance. Therefore, the research will formulate practicable solutions that are based on empirical findings and that possibly will be integrated into the municipal strategy in future as an endeavour to improve organisational performance.

Current research has not reached consensus on the real causes of PMS implementation failure, thereby making this research imperative in contributing to the scientific literature and body of knowledge pertaining to organisational performance.

1.4 Research problem and question

1.4.1 Research problem

In South Africa, municipalities have not succeeded in implementing an effective PMS, despite the state-of-the-art legislation available to guide them on these matters. Evidence from literature suggests that the majority of organisations in South Africa are not following 'best practice' in PM (Spangenberg & Theron, 2001 in Whitford & Coetsee, 2006:63). Several authors, like McCann (1998), and Neely and

Bourne (2000), cited in De Waal and Counet (2009:367), estimate the implementation of PMS failure rate at 70 percent.

Municipal failure to provide service delivery has come to light in recent service delivery protests. The media reports show that the number of service delivery protests increased between the years 2009 and 2012 (Media24 Investigations, 2013). A year later, service delivery protests are spiralling out of control and some of the questions from media are: "We asked if municipalities are battling to cope with a growing demand for services. Or are corruption, maladministration and a lack of skills in local government crippling service delivery?" (ENews Channel Africa, 2014).

The research findings conducted by SALGA (2013a) suggest that the service delivery protests stem from municipalities' inability to meet their service delivery mandate. The DPME acknowledges that the quality of public services provided is still below standard despite huge financial expenditure on services delivery mechanisms (Presidency, 2009:3). Furthermore, the Auditor-General's report (Auditor-General South Africa, 2012:2) found that the poor performance of municipalities arises from non-compliance in implementing service delivery reporting interventions and non-implementation of "reforms related to skills and minimum competencies".

In view of the above problems, an effective PMS must be implemented. Therefore, it is argued here that an effective PMS should provide managers with accurate information about the progress of service delivery and challenges that lie ahead, so that informed decisions can be taken and strategies to the challenges formulated. To support this argument Lopez-Acvedo, Krause and Mackay (2012:3) state that PMS measures the results produced by a government's programme and articulates information about a government's chosen policies. Furthermore, PMS assists decision makers to isolate what is working from what is not, and provides reasons for this: "highlighting examples of good practice and poor practice can help improve performance" (Lopez-Acvedo *et al.*, 2012:3-4). To address this problem, the research question is posed.

1.4.2 Research question

What are the available managerial knowledge, skills and attitudes required for implementing PMS for organisational performance at Newcastle Municipality?

1.4.3 Research aim

The research aim is to assess the managerial capacity required for implementing an effective PMS for the purpose of improving organisational performance.

1.4.4 Research objectives

- Assess the managerial knowledge available for implementing PMS at Newcastle Municipality;
- Assess the managerial skills available for implementing PMS at Newcastle Municipality; and
- Evaluate the managerial attitudes towards the implementation of PMS at Newcastle Municipality.

1.5 Research design and methodology

A research design is a plan outlining how the study will be conducted (Mouton, 2001:55). The research design chosen to answer the research question was qualitative in nature. This approach was useful to describe existing processes at and characteristics of Newcastle Municipality (Denzin & Lincoln (1994), cited in Welman, Kruger & Mitchell, 2005:8).

A quantitative survey methodology was employed to collect empirical primary data from participants at Newcastle Municipality. This data-collection method was ideal for limiting participants from responding with data that was not within the scope of this research. Moreover, the method was sufficient for quantifying collected data and for presenting findings statistically using graphs and tables.

1.5.1 Population and sampling procedures

The study population at Newcastle Municipality was chosen since it was accessible from the researcher's place of work and residence. A stratified sampling method was used to identify an eligible sample of management and PM practitioners from the

municipal organogram. The eligible sample comprised the municipal manager, chief of operations, strategic executive directors, directors, line managers, PMS unit practitioners and IDP practitioners. All these municipal employees stood an equal chance to be included in the study population at Newcastle Municipality.

1.5.2 Data-gathering method and tools

A structured quantitative survey questionnaire with a Likert scale was used to collect data from participants, and employed the following methods:

- **Personal Survey**

Personal survey comprises a structured questionnaire that prompts specific responses from participants (Malhotra, Hall, Shaw & Oppenheim (2002), cited in Polonsky & Waller, 2005:113). The method was appropriate for establishing direct contact with respondents to build trust and to increase the chances of a favourable response rate. It also ensured that questionnaires were completed *in situ* and collected immediately, which maintained confidentiality of data.

- **Electronic Survey**

An electronic survey was used to send questionnaires *via* email to respondents who were not available for a personal survey. According to Malhotra *et al.* (2002), cited in Polonsky and Waller (2005:114), this method is appropriate for respondents since it gives participants an opportunity to complete the questionnaire during leisure time. During data collection this was convenient, when scheduled appointments were cancelled owing to unforeseen municipal affairs.

1.5.3 Reliability and validity

The reliability and validity focused on the data-collection instrument, process and results obtained. The questionnaire design embraced construct validity to ensure that it fulfilled its purpose of collecting relevant data. Face validity was confirmed upon meeting with respondents during the data-collection process and observing their demeanour to be positive. The anonymity of participants and objectivity of the researcher were maintained to ensure that results were trustworthy. Owing to the nature and contextual factors of disparate municipalities, the findings of the study may not be generalised.

1.6 Study limitation

The study was limited to management and PM practitioners at Newcastle Municipality. The study did NOT explore the following:

- Councillors, community and general employees
- The impact of service delivery
- Individual PM for appraisal system
- The outcomes of the current municipal PMS

1.7 Ethical consideration

The study ensured respect for individual privacy and did not harm participants in any way throughout the duration of the study (Goddard & Melville, 2001:49). Permission to conduct the study was obtained from the municipality prior to the study's being conducted; the permission of the participants was also secured. Meticulous consideration was given to informed consent and anonymity, and to confidentiality of proceedings.

1.8 Chapter outline

Chapter 1: Research overview. This chapter presents the study undertaken at Newcastle Municipality. It comprises an introduction, the background, research problems, rationale for, and significance of the study. An outline of the research design and data collection methodology is also provided.

Chapter 2: Managerial knowledge, skills and attitudes required for the implementation of PMS. The chapter presents literature reviewed on organisational performance. The scope focuses on the conceptualisation of PM, its origin, and the effective implementation of PMS in the municipality. The chapter also explores the value and challenges of PMS as well as the managerial knowledge, skills and attitudes essential for implementing an effective system.

Chapter 3: Legislation and policy framework regulating the implementation of PMS in South Africa. The chapter outlines national legislation and local government policies regulating the implementation of municipal PMS in South Africa. The chapter

also draws from policies guiding the implementation of PMS within the Newcastle Municipality for the purpose of achieving optimal organisational performance.

Chapter 4: Data-collection methods, analysis of data and findings of research at Newcastle Municipality. The chapter presents data-collection and analytical methods used, and results and findings obtained from Newcastle Municipality. The chapter further describes methods and procedures followed during data-collection processes.

Chapter 5: Discussion of findings, research conclusion and recommendations. The chapter provides a discussion of the findings presented in Chapter 4 in order to answer the research question. This chapter also examines the implications of the findings, furnishes a conclusion, and makes recommendations for future research and practicable actions for Newcastle Municipality.

CHAPTER 2

MANAGERIAL KNOWLEDGE, SKILLS AND ATTITUDES REQUIRED FOR THE IMPLEMENTATION OF PMS

2.1 Introduction

This chapter presents the PM literature reviewed. The scope focuses on the conceptualisation of PM and PMS, its nature and origin, and most importantly the implementation of effective PMS in the municipality. The literature also explores the benefits of PMS, provides guidelines for developing an effective PMS, and discusses challenges facing the effective implementation of PMS, as well as outlining the roles of managers in PMS. In closing, this chapter reviews the literature on managerial knowledge, skills and attitudes that are essential for implementing an effective PMS in the municipality.

2.2 Definition of Performance Management

The definition of PM has varied interpretations and meanings for different people. An accurate interpretation and meaning often emerges when the definition is underpinned in a specific context where PM is applied. O'Donnell and Duffy (2002:1200) have cautioned that much of the widely published literature on PM is not consistent with the definition. Cordero's definition (1989), cited in O'Donnell and Duffy (2002:1201), is singled out as one of the more precise definitions of PM; it captures the key aspects of performance, namely, effectiveness and efficiency. Effectiveness is "measuring outputs to determine if they help accomplish objectives"; whereas efficiency is "measuring resources to determine whether minimum amounts are used in the production of the outputs" (O'Donnell & Duffy, 2002:1201).

Mohrman and Mohrman (1995) cited in Armstrong (2009:10) state that PM is "managing the business". Armstrong (2009:10) views it as an operational process which is much wider than appraising individuals, and as a function that is done by managers on daily basis rather than being perceived as the HR-directed annual procedures for pay progression. Curtis (1999:263) defines PM as a method of management which links the efforts of all the individuals to the strategic goals in the organisation. Marr (2009:3) states that PM is about creating a stage where

performance is seen as the responsibility of everyone in the organisation. He further indicates that in such an environment every person in the organisation comprehends the organisational priorities and willingly accepts the accountability to deliver, as well as to contribute to sustainable improvement to performance.

According to Hunter and Nielsen (2013:10), PM is the ability of the organisation to attain its targets “measurably, reliably, and sustainably” through intended actions. Hunter and Nielsen (2013:10) regard it as a corrective process which measures, monitors and analyses data to provide an organisation with opportunities to learn from its practices, and to make necessary tactical and strategic adjustments. Hunter and Nielsen (2013:8) hold that these dimensions are significant to PM processes. Akata (2003), cited in Esu and Inyang (2009:100), believes that PM is a holistic process for work planning, monitoring and measuring in order to enable employees to contribute to organisational goals.

The thrust of the study at Newcastle Municipality is on organisational performance. Therefore, the meaning of PM in the municipality will be underpinned by these definitions reviewed above, as they emphasise effectiveness and efficiency, and since their scope covers the major activities in the organisation. Esu and Inyang (2009:100) put it succinctly in indicating that PM is “all embracing”.

2.3 The nature of Performance Management in the organisation

The above definitions formulate the basis for a comprehensive understanding of the nature of PM in the organisation. Its nature emphasises organisational processes, activities and the integration of formal and informal approaches designed for managers (Esu & Inyang, 2009:100-101). Esu and Inyang (2009:101) further assert that it is a ‘proactive’ process compared with performance appraisal, which is ‘reactive’. Armstrong and Baron (2005:14) contend that it is a “comprehensive, continuous and flexible approach to the management of organisations which involves the maximum amount of dialogue between those concerned”.

Marr (2009:1) holds that PM is simple in theory and intuitive process; however in reality it is difficult to implement because of its mechanistic and numeric nature. Marr (2009:1) further contends that the purpose of PM is to assist organisations to (i) identify and agree on what matters, (ii) collect relevant management information to

gauge whether performance is still progressing in accordance with the organisational plans, and (iii) learn from collected management information lessons that can assist the organisation to improve its performance. Figure 2.1 illustrates this principle in an organisation and how it should be systematically carried out in order to learn and improve organisational performance.

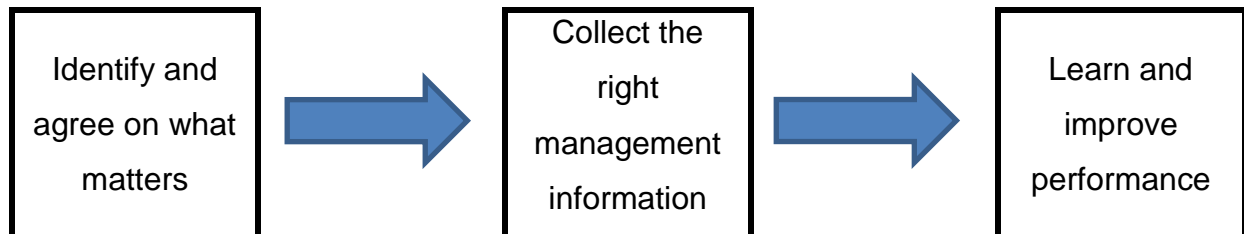


Figure 2.1: Performance management in the organisation

Source: Marr (2009:1)

Firstly, Marr (2009:4) believes that an organisation should clarify and agree on a strategy to attain goals and to ensure that all participants in the organisation are “pulling in the same direction”. The strategy ensures that pertinent “internal competencies and resources” necessary to achieve results are available (Marr, 2009:5). Secondly, to collect the right management information, performance indicators must be identified. They help to measure what is important and must be linked to the strategic goals pursued by the organisation (Marr, 2009:7). According to Marr (2009:7), performance indicators can only assist an organisation to track progress correctly if they “have real information value”. Thirdly, Marr (2009:8) posits that to learn how to improve performance, information collected must be used as evidence to support the decision-making process. Learning in PM and performance improvement only occurs when a strategy has been defined and relevant performance information has been collected (Marr, 2009:8).

Reddy, Sing and Moodley (2003:127) state that the nature of PM is underpinned by designs that are effective, the prediction of results, and the evaluation dimensions of resources used in the organisation to obtain results (output, outcomes and impact) that are sought by the organisation. Rouse (1994), cited in Reddy *et al.* (2003:127), believes that the nature of PM consists of the description of multi-processes and tools that are harnessed for the purpose of improving the quality of results in public goods and services. Epstein (1992), cited in Reddy *et al.* (2003:127) asserts that the

scope of PM embraces responding “to the needs, desires and resources of the community, clients or user”. The nature of PM focuses on the utilisation of available resources effectively and efficiently to maximise results, as well as to evaluate the progress made. Reddy *et al.* (2003:127) add that an evaluation dimension of PM in the public sectors focuses on finances, human and other available resources required in achieving desirable results. The authors further state that an evaluation of how resources are utilised assists in revealing their allocation efficiency and effectiveness in government intervention (Reddy *et al.*, 2003:127).

Reddy *et al.* (2003:127-128) and Hunter and Nielsen (2013:13) propose the application of a logic model (theory of change) in an intervention in order to emphasise the purpose and to illustrate the nature of performance, as well as to shape the focus of an organisation towards intended results. The logic model consists of inputs, activities, outputs, outcomes, and impact. It is illustrated in Figure 2.2 below.

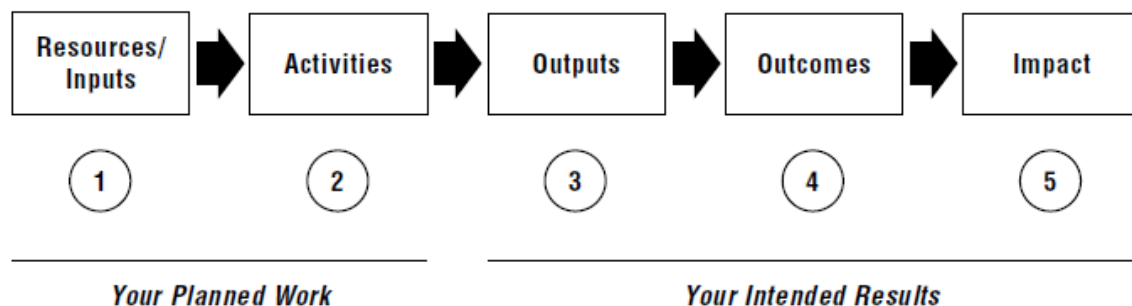


Figure 2.2: Basic logic model

Source: Kellogg Foundation (2004:1)

The Kellogg Foundation (2004:1) defines a logic model as “a systematic and visual way to present and share your understanding of the relationships among the resources you have to operate your program, the activities you plan, and the changes or results you hope to achieve”. Resources (input) include “human, financial, organizational, and community resources”, while activities “are what the program does with the resources”. It includes processes and actions that are planned for the program (Kellogg Foundation, 2004:2).

Outputs are direct products and services delivered by the programme and reflect the conversion of resources into immediate results. According to the Kellogg Foundation (2004:2), outcomes are observable changes in behaviour, knowledge and skills of programme recipients, as well as their “status and level of functioning”, while the impact is “intended or unintended change occurring in organizations, communities or systems as a result of program activities”. Therefore, the logic framework assists to clarify and locate the meaning and the nature of performance in the public sector organisation.

2.4 The origin of Performance Management in the public sector

A brief historical perspective of PM is deemed important in this review to help us comprehend its importance and its adoption in the public sector. PM has been in existence since the Roman Empire. The documented history indicates that ancient Rome used a performance measurement system (Furnham, 2004:83). According to Furnham (2004:84), the 1950s and 1960s marked the adoption of performance measures in big companies in the USA and Europe. Around the 1970s in the USA, followed by Britain in the 1980s, these countries’ respective governments promulgated legislation on PM in the public sector (Furnham, 2004:84).

Venter, Van der Walddt and Van der Walt (2007:110) have confirmed the use of PM in South Africa’s public sector since 1994. This was partly motivated by a need to monitor and evaluate the limited resources available for service delivery, particularly in the newly formed local government (Venter *et al.*, 2007:110). “Although the measurement of performance in the public sector is relatively new”, the existing scientific literature on PM has embraced concepts like performance measures, performance indicators, performance appraisal, and value for money since the seventies (Venter *et al.*, 2007:110).

A new wave of public reform swept the public sector in the name of NPM around the nineties. According to Kettl (2000), cited in Julnes (2008:65), “the period since the early 1990s has seen quite a remarkable reform in the public sectors of many countries around the world”. Julnes (2008:65) states that the concept NPM was “coined by Hood (1991)” and argues that its central focus was to improve performance. Minogue, Polidano and Hulme (1997), cited in Larbi (1999:10), affirm

this and hold that the purpose of NPM is to improve performance through management systems that are premised on ‘good governance’ and ‘managerialism’.

2.5 Performance Management System

Armstrong (2009:10) defines PM as an ‘operational process’. Hartle (1997) cited in Oliver (2008:7), articulates a valid argument that the process of PM “should not be isolated within the organisation” and suggests that it should be integrated into PMS. To give effect to PM in the local government, PMS is implemented. Public reforms, such as NPM, have triggered the development and the adoption of PMS in government, both internationally and in all spheres of government in South Africa. This trend is evident in the literature of the following authors (Curtis, 1999:262; De Waal & Counet, 2009:367; Padovani *et al.*, 2010:591).

Neely, Gregory and Platts (1995) cited in Tung *et al.* (2011:1287) define PMS as “a set of metrics used to quantify both the efficiency and effectiveness of actions” and Lebas (1995), in Tung *et al.* (2011:1287), views it as a method that “facilitates the improvement of the organization as a whole”. Simons (2000), cited in De Waal (2003:688), defines PMS as the “formal information-based routines and procedures managers use to maintain or alter pattern in organisation activities”.

2.5.1 Conceptualisation of an effective PMS

Padovani *et al.* (2010:594) argue that to understand problems affecting PMS implementation in municipalities, the meaning of effective PMS must be defined. According to Clinquini and Mitchell (2005), cited in Tung *et al.* (2011:1289), an effective PMS is a system that is able to attain “objectives set for a task”. Bouckaert (1993), cited in Padovani *et al.* (2010:594), holds that effectiveness in PMS has the dimensions of validity, legitimacy and functionality.

- Validity – refers to “sound, cogent, convincing and telling” (Bouckaert, cited in Padovani *et al.*, 2010:594).
- Legitimacy – means that the “performance measures should not be forced by top management of the organisations or other external forces such as legislation” (Halachmi, cited in Padovani *et al.*, 2010:594).

- Functionality – refers to the “benefits arising from the use of performance measures” (Padovani *et al.*, 2010:594).

Given the above, it may be inferred that PMS is designed and institutionalised for managers to inform their decisions as to whether or not an organisation is achieving its goals; hence it provides opportunities for improving organisational performance.

2.5.2 Benefits of a Performance Management System

There are many benefits of PMS and differ for various institutions. Tung *et al.* (2011:1289) hold that an effective PMS should promote “goal congruence” in the organisational strategy and produce useful information for managers concerning the progress made in a manner that is resourceful. Langfield-Smith, Thorne and Hilton (2009), cited in Tung *et al.* (2011:1289), state that it should signal the position of the organisation and assist managers to develop solutions. The purpose of PMS is to cater for both financial and nonfinancial information that is used by managers to support decisions and proper actions (De Waal, 2003:688). Behn (2003), cited in Padovani *et al.* (2010:592), states that PMS can be used for various reasons such as to (i) evaluate, (ii) control, (iii) budget, (iv) motivate, (v) promote, (vi) celebrate, (vii) learn, and (viii) improve performance.

Ammons and Rivenbark, 2008, and Hatry, 2002, cited in Padovani *et al.* (2010:592) contend that there is less evidence suggesting that PMS influences decisions or improves services. Despite this belief and the foregoing, it is argued that managers in municipalities should use PMS to generate multi-dimensional information on a range of municipal activities in order to ensure evidence-based decisions. This argument is supported by De Bruijn (2002), cited in Padovani *et al.* (2010:595), who states that effective PMS promotes quality in policies and decision making. Furthermore, Padovani *et al.* (2010:595) also maintain that in the ideal situation, the system should inform decisions.

Hall (2002), cited in Esu and Inyang (2009:100), states that PMS is institutionalised as an approach to organisational performance improvement. Esu and Inyang (2009:100-101) state that several literatures consulted show that PMS benefits organisations in many ways. It (i) helps to implement an organisational strategy, and measures and improves performance, (ii) enhances organisational processes, (iii)

facilitates change in the organisational culture, (iv) enhances the quality of management, (v) brings competitiveness into the organisations and promotes customer satisfaction, and (vi) assists an organisation to attain desirable goals and objectives through 'systemic' and 'systematic' processes.

Reddy *et al.* (2003:140-141) argue that in the municipalities, the benefits derived from PMS may vary across the vested interests of role players. Following this argument, Reddy *et al.* (2003:140-141) hold that these various benefits may somehow be intertwined. According to Fenwick (1995), and Epstein (1992), cited in Reddy *et al.* (2003:140), PMS (i) assists in identifying key stakeholders (clients, users and customers) who might have been side-lined, (ii) promotes participation of several municipal stakeholders, such as the community, in the decisions pertaining to services and goods offered by the municipality, (iii) helps in determining 'community desires' and 'satisfaction' by using various data collection methods, and (iv) promotes the understanding of stakeholders (clients and users).

2.5.3 Developing an effective Performance Management System

There is a need to develop and implement an efficient and effective PMS in the municipality in order to enhance performance. The demand for efficient and effective PMS has increased over the years for the reason that several organisations that employ PMS effectively have improved their performance (De Waal & Counet, 2009: 367).

When developing PMS, several factors should be considered. Therefore, the system designers should ascertain that the challenges central to the PM of an organisation are integrated into the system being developed in order to improve organisational performance successfully. Watkins (2007), cited in Esu and Inyang (2009:101), identifies seven components that comprise an effective system. Figure 2.3 illustrates how these components fit together.

The first step identifies the desired organisational performance targeted and the results that the organisation seeks. It can be anything desirable and closely associated with the vision of the organisation. The second step involves defining performance objectives, such as performance goals of individual departments and those of an organisation. This process is a collaborative responsibility between

employees and top management (Eus & Inyang, 2009:101). According to Esu and Inyang (2009, 101), the objectives must be specific, measurable, attainable, relevant and time bound.

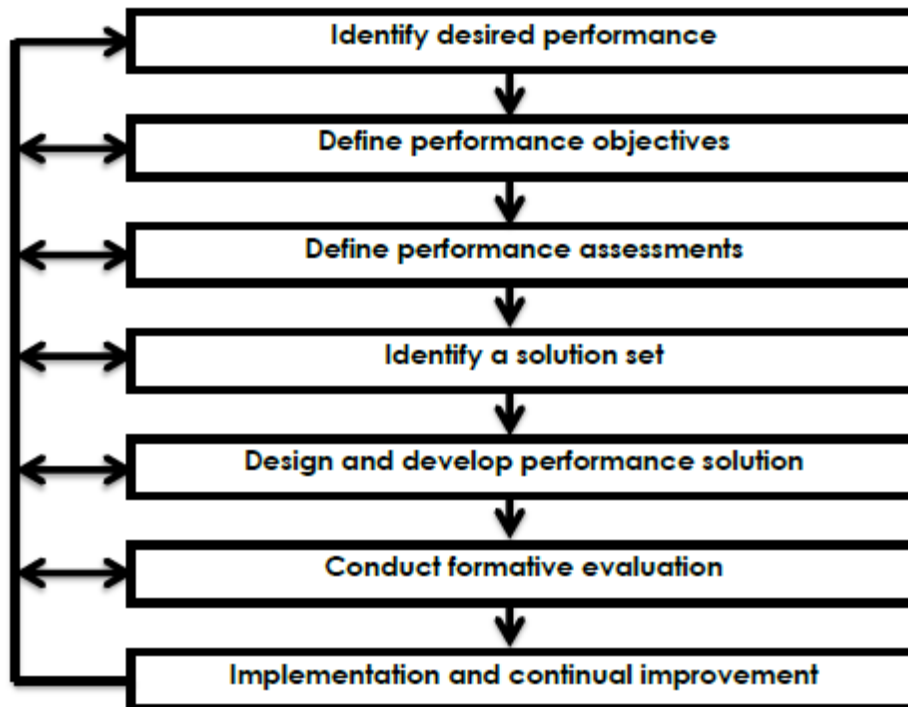


Figure 2.3: Performance Management System components

Source: Watkins (2007), cited in Esu and Inyang (2009:105)

The third step is about performance assessment. Esu and Inyang (2010:101) contend that the fundamental purpose of this step is to understand “what to measure and how to measure it”. Armstrong (2004), cited in Esu and Inyang (2009:101), states that (i) performance measurement must measure results rather than effort, (ii) results must show a link between the performance and the performer where it is controlled, (iii) the measuring instrument must be objective and observable, (iv) performance data related to the measured aspect must be available, and (v) any existing performance measurement must be adopted, if possible.

The fourth step in the process is to identify a solution strategy to the performance challenges that impinge on organisational performance. Esu and Inyang (2009:102) propose a SWOT analysis to identify solutions to the problems. The fifth step involves designing and developing a performance solution (strategy). Esu and

Inyang (2009:102) caution that the type of strategy identified in the previous step will determine the intervention. Watkins (2007), cited in Esu and Inyang (2009:102), recommends the Electronic Performance Support System and Balanced Scorecard. One takes cognisance that the municipalities are experiencing financial constraints. Notwithstanding these financial challenges, it is suggested that efforts should be made to invest in electronic PMS to promote efficiency and heighten effectiveness in the municipalities.

Conducting formative evaluation is the sixth step in the process of developing an effective PMS. Esu and Inyang (2009:102) suggest that PMS should be evaluated before it is implemented. This will help managers to gain knowledge of how the system operates (Esu & Inyang, 2009:102). Following this suggestion, Armstrong (2004), cited in Esu and Inyang (2009:102), holds that an evaluation should be done by those involved in the system. In the scope of this study, management and PM practitioners should evaluate the municipal PMS.

The final step in developing an effective PMS is its implementation and continual improvement. It should be understood that PM “is a comprehensive approach for planning and sustaining improvements in the performance” (Esu & Inyang, 2009:102). Therefore, it can be argued that to improve organisational performance systematically in the municipalities, the PM process should be aligned to planning. Accordingly, Esu and Inyang (2009:102) believe that the intention of PMS is to implement performance plans that were adopted in the organisation.

2.6 Performance Management System challenges

Several authors, like Tung *et al.* (2011), De Waal (2003), Padovani *et al.* (2010), Esu and Inyang (2009) and Reddy *et al.* (2003), reviewed in section 2.5.2 of this chapter, have indicated that PMS benefits organisations in different ways. Despite these benefits, it can be assumed that organisations are not reaping the benefits from their PMSs. The reason for this assumption is that McCunn (1998), and Neely and Bourne (2000), cited in De Waal and Counet (2009:367), indicate that PMS in the majority of organisations is failing. Following this reasoning, this may also hold true for the majority of municipalities in South Africa. The challenges facing the implementation of PMS are examined in the subsequent subsections.

2.6.1 Performance Management planning

It is difficult to align PMS to planning, such as budgetary processes. This is due to the implementation of PMS, which takes longer, while the planning cycles in the municipalities are short term (Padovani *et al.*, 2010:595). Padovani and Young (2012:68) coined this complexity a “seduction of planning”. According to Padovani and Young (2012:68), planning is complex, owing to data that is collected and analysed, cost benefit analysis that must be done to weigh alternatives, time that is spent on quantifying data, and budget constraints in the organisation.

2.6.2 Time management

Time management is of the essence in the implementation of PMS. The implementation of PMS demands time and effort from managers (De Waal & Counet, 2009:368). Furthermore, managers tend to invest less time in the implementation of PMS (De Waal & Counet, 2009:369). The availability of time and work pressure in the organisational environment are some of the reasons that cause managers to invest less time in the implementation of PMS (De Waal & Counet, 2009:368).

2.6.3 Knowledge and skills

Several institutions are unable to deliver services effectively and efficiently because “managers lack the requisite managerial skills” (Esu & Inyang, 2009:98). According to Ingraham, Joyce and Donahue (2003), cited in Andrews and Boyne (2010:443), managerial capacity is one aspect that is a cause for concern in public organisations. Therefore, Andrews and Boyne (2010:444) argue that public institutions with “low-capacity” will find it difficult to develop and implement PMS. It is for this reason that Newcomer and Caudle (2011:124) regard knowledge and skills as vital for the implementation of PMS.

Knowledge and skills may include training that is received in the use of the system (De Waal & Counet, 2009:370). According to De Waal and Counet (2009:370), “if organisational members lack the understanding and skills required to work with the new PMS” the utilisation of the system will be ineffective. Therefore, Newcomer and Caudle (2011:124) suggest that the system should accommodate knowledge and

skills in order to ensure that users “know how to operate the system and use the performance information”.

2.6.4 Attitudes

The *Oxford Advanced Learner's Dictionary* (2010:80) defines attitude as “the feeling about something or as behaviour towards something”. If positive attitudes are promoted, users will understand and accept the system (De Waal & Counet, 2009:369). According to Schein (2010), in Padovani and Young (2012:102), “every organisation has a culture”, that is “the climate or atmosphere in which certain attitudes are encouraged and others discouraged”. Padovani and Young (2012:103) therefore propose that system designers should capture the overall cultural climate when designing the system.

To promote the right climate in an organisation, positive change in senior management is required to support performance managers reporting to them (Newcomer & Caudle, 2011:122). Therefore, Newcomer and Caudle (2011:122) suggest that “any top-down approach should be coupled with a bottom-up approach that allows flexibility and involvement of all staff and other stakeholders”.

2.6.5 Leadership role

DuBrin (2010:6) mentions that “effective leaders manage, and effective managers also lead”. If management does not play a leading role in the implementation and utilisation of PMS in the organisation, subordinates “will put less or no priority on working with the new system” (De Waal & Counet, 2009:369). Therefore, Holroyd and Field (2012:5) hold that “performance will have to be led and managed”. *The Manager's Guide to Performance Management* (2006), published for local government in the United Kingdom and cited in Holroyd and Field (2012:5), states that “the hard systems, processes and data are inseparable from the soft aspects such as culture, leadership and learning”.

2.7 Roles of managers in Performance Management System

The generic functions of managers in any organisation consist of planning, leading, organising, co-ordinating and controlling several organisational processes. All local government, big and small, engage in management control and management control

systems formalised for the purpose of accomplishing such managerial functions (Padovani & Young, 2012:32-33). In South Africa's municipal context, the term PMS refers to such a system institutionalised for managerial functions.

Lussier (2009), cited in Ile, Eresia-Eke and Allen-Ile (2012:74), states that senior management determines an organisational purpose, strategies and plans; middle managers put strategies into effect, while line managers ensure that operational plans are implemented. Porter (1996), cited in Padovani and Young (2012:33), indicates that in strategic planning, management decides on goals and the activities required to achieve them. Therefore, in pursuit of performance improvement, processes necessary to achieve goals frequently change, whereas the goals "tend to change slowly" (Padovani & Young, 2012:33). In light of the above, municipality managers at strategic level will constantly adjust their processes and plans to achieve organisational performance goals. According to Ile *et al.* (2012:75), "a plan is a roadmap of action; it should state what we want to achieve (destination) and how we seek to achieve it (route)". The fundamental purpose of planning performance is that it "determines what successful performance looks like" (UNDP, (2009) in Ile *et al.*, 2012:75).

In local government, PMS is located between "strategic and task control" to give effect to goals adopted in the strategic planning and to direct "the activities needed to attain them" (Padovani & Young, 2012:34). The authors further define task control as "the process of assuring that the activities are carried out effectively and efficiently".

2.8 Knowledge, skills and attitudes for implementing PMS

Implementing an effective PMS in municipalities requires detailed knowledge, skills and the right attitudes from managers. This study is premised on assessing the managerial knowledge, skills and attitudes that are required for implementing PMS in the municipality. According to Andrews and Boyne (2010:443), managerial capacity is paramount in realising effective service delivery and improving performance in the public sector. Ingraham, Joyce and Donahue (2003), cited in Andrews and Boyne (2010:443), state that inadequate managerial capacity is persistent in public institutions.

According to Morgan (1996), cited in Lusthaus, Adrien and Perstinger (1999:3), capacity refers to the ability of “individuals, groups, institutions and organizations to identify and solve development problems over time”. The UNDP (2010:2) views capacity as “the ability of individuals, institutions, and societies to perform functions, solve problems, and set and achieve objectives in a sustainable manner”. Both these meanings have reference to the term ‘capacity’ in this study.

According to Pollitt and Bouckaert (2004), in Andrews and Boyne (2010:443), in an effort to curtail inadequate capacity in government, various initiatives that enhance management reforms and managerial quality are adopted worldwide. The OECD (2011:40) states that “mobilising the skills and competencies of the public workforce will help develop and implement better policies to do the right things in the right way at the right time”. The OECD (2011:40) poses a rhetorical question: “Is the management function in the public sector well equipped to respond to the challenges?” The question that resonates with this study is: What are the available managerial knowledge, skills and attitudes required for implementing PMS for organisational performance at Newcastle Municipality?

Managerial competencies (knowledge, skills and attitudes) in the context of this study are seen as enablers that will promote an effective functioning of individuals in PMS. Kaslow (2004), cited in Falender and Shafranske (2007:232), defines competency as “an individual’s capability and demonstrated ability to understand and do certain tasks in an appropriate and effective manner consistent with the expectations for a person qualified by education and training in a particular profession or speciality thereof”. This is the definition adopted in this study.

According to Holroyd and Field (2012:5), managerial knowledge and skills on their own will not achieve desirable performance. In view of this, it is argued that managers should have positive attitudes to ensure effective implementation of PMS in the municipality. Simons (2002), in De Waal (2003:689), believes that “performance measurement and control systems cannot be designed without taking into account human behaviour”. In agreement, De Waal and Counet (2009:369) state that positive attitudes are essential in promoting the acceptance of PMS. Furthermore, Holloway, Lewis and Mallory (1995), cited in De Waal (2003:689),

ascertain that “successful implementation of performance management depends above all on understanding and accommodating the human element”.

2.9 Knowledge required to implement PMS

According to Easterby-Smith (1997), and McInerney (2002), in Walshe, Harvey and Jas (2010:3), organisations are systems of “knowledge processing”. Accordingly, Walshe *et al.* (2010:10) describe the nature of knowledge as “tacit or explicit, a continuum, which expresses the extent to which knowledge is seen as personal” and furthermore knowledge may be seen as “peripheral to the performance mechanism or central to its working”. Knowledge is a key factor that helps organisations to identify failures when they are engaged in improving performance (Walshe *et al.*, 2010:33). Walshe *et al.* (2010:33) argue that an organisation can find solutions to undesirable performance, provided its environment is “more known”. In contrast, Tsoukas (1997), in Walshe *et al.* (2010:34), holds that having more information may not translate to the understanding of organisational performance. Walshe *et al.* (2010:34) further believe that “the use of information is often conceived in a bipolar way, either is used or not”. Therefore, Walshe *et al.* (2010:34) conclude that the use of information is a “direct relation between performance information and managerial decision”.

Moynihan and Pandey (2010:849) indicate that managers have more performance information than before, since new data is generated and added to the existing data. In an attempt to establish the use of performance information in local governance, Moynihan and Pandey (2010:850) question: “Why do managers use performance information?” To answer this question, Moynihan and Pandey (2010:850) state that “without knowledge of why such use occurs, it becomes difficult to establish the conditions for performance management success”. Moynihan and Pandey (2010: 854) go on to state that managers tend to learn from interpreting numbers rather than learning “directly from quantitative numbers”, thus they are able to make sense of meanings depending on “their knowledge of the context in which they work”.

Knowledge can be obtained and manipulated to obtain better performance in the organisation. Zahra and George (2002), cited in Walshe *et al.* (2010:230), define the process of acquiring, assimilating, transforming and exploiting knowledge as the absorptive capacity. Buenstorf and Murmann (2005), in Walshe *et al.* (2010:230),

hold that organisations with absorptive capacity are capable of applying knowledge to a changing environment. Walshe *et al.* (2010:230) contend that absorptive capacity can allow organisations to learn through generation of knowledge, and then apply generated knowledge to enhance performance (see Figure 2.4). According to Lane, Koka and Pathak (2006), in Walshe *et al.* (2010:230), absorptive capacity works by connecting three component process in a logical manner, namely, knowledge acquisition, knowledge assimilation, and knowledge application. Walshe *et al.* (2010:230) hold that if the absorptive capacity is logically applied in this way, it can contribute to the improvement of performance in the organisation.

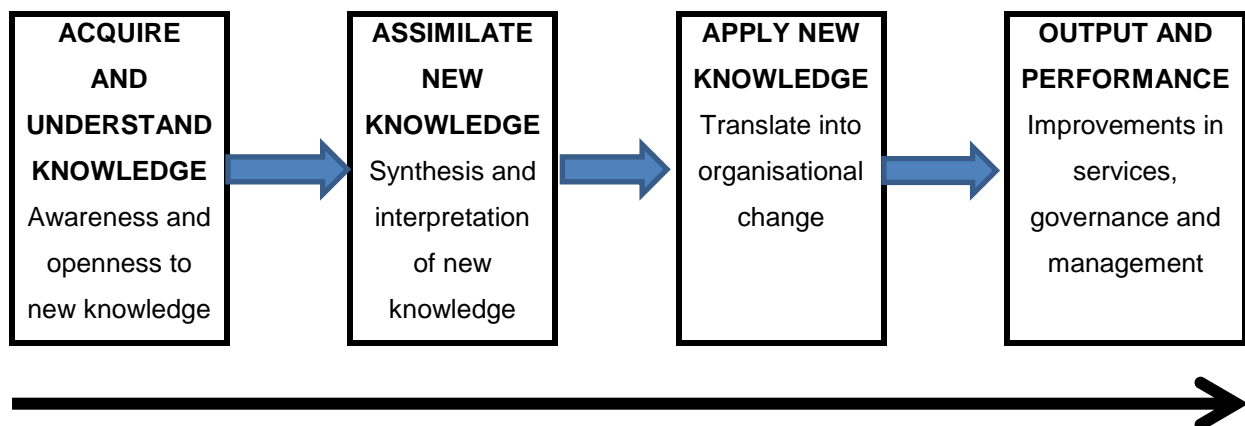


Figure 2.4: Absorptive capacity

Source: Adapted from Lane *et al.* (2006), cited in Walshe *et al.* (2010:231)

Lane *et al.* (2006), in Walshe *et al.* (2010:231), define the acquisition of knowledge as “a process by which the organisation recognises and understands new knowledge”, assimilation of knowledge as “a process by which valuable external knowledge is assimilated at multiple levels within the organisation, involving several processes that affect the way that newly acquired knowledge is combined with existing knowledge” and application of knowledge as “the process by which the knowledge that has been assimilated by the organisation is used to benefit the organisation”. According to Walshe *et al.* (2010:230), knowledge can benefit the organisation if the assimilation of knowledge is translated into action and plans executed using “innovation or improved performance and implementation of policies”.

2.9.1 Importance of Knowledge Management

Knowledge is power, whether it's the knowledge of the organisation or of individuals in the employment of the municipality. Authors such as Stehr (2001), and De la Mothe and Foray (2001), cited in Earl (2003:57), regard knowledge as power and state that experts are convinced that this “power intensifies when it is shared”. Ananthram, Nankervis and Chan (2013:287) believe that knowledge is an asset. Liebowotz (2002), and Chen and Chen (2005), in Ananthram *et al.* (2013:287), propose that knowledge management (KM) should “receive considerable attention in the strategic management and strategic human resource management literature”, as it forms the basis for achieving competitiveness in the organisation. According to Nonaka and Takeuchi (1995), cited in Ananthram *et al.* (2013:287), worldwide organisations that are sustainable and prosperous use KM. Furthermore, organisations that use KM practices at strategic level improve performance (Earl, 2003:56).

Earl (2003:58) defines KM as “any systematic activity related to the capture and sharing of knowledge by the organisation”. Chen and Chen (2005), in Ananthram *et al.* (2013:287), conceptualise KM as the “creation, conversion, circulation, and completion of knowledge”. According to Swan, Scarbrough and Pretson (1999), cited in Ananthram *et al.* (2013:287), KM is “any process or practice of creating, acquiring, capturing, sharing and using knowledge, wherever it resides, to enhance learning and performance in organisations”. Davenport and Prusak (1998), in Ananthram *et al.* (2013:287), hold that knowledge is produced within individuals and through interaction with others. Chen and Chen (2005), in Ananthram *et al.* (2013:287), suggest that knowledge produced or retrieved from existing sources in the organisation must be “applied to meet identified needs, distributed around the firm appropriately; and then recorded, reviewed or reconfigured” in order to improve organisational performance.

It is inferred, therefore, that KM is more likely to benefit the municipality to: (i) promote competitiveness amongst employees, (ii) improve organisational strategies and processes, (iii) promote learning and improvement on performance, (iv) promote interaction and innovation amongst individuals, (v) contribute to organisational and individual knowledge, (vi) encourage performance solutions from within the

organisation, (vii) develop and implement best solutions from several knowledge repositories within the organisation to address societal needs, and (viii) promote teamwork and the spirit of collectiveness through existing knowledge-sharing practices.

According to Earl (2003:65), the best KM practices in the organisation can assist to: (i) improve competitive advantage, (ii) prepare employees to meet strategic objectives of the organisation, (iii) enhance efficiency in the production processes, (iv) assist to identify strategic knowledge present in the organisation, (v) promote sharing of knowledge with partners in “strategic alliances, joint ventures or consortia”, (vi) guard against the loss of knowledge in the organisation “due to workers’ departure”, and (vii) promote “collaborative work of projects or teams that are physically separated”.

In the light of this review, it is argued that in the context of organisational performance, managers must possess extensive knowledge which cuts across their generic functions, different components of PMS and knowledge pertaining to the organisational contextual factors. Furthermore, it is argued that managers must be able to (i) generate a range of knowledge, (ii) synthesise and interpret knowledge, and (iii) then translate knowledge into an organisational strategy in order to improve the municipal overall performance.

2.10 Skills required to implement PMS

The emerging changes in the organisational environment have granted practitioners and researchers an opportunity to investigate the roles of Human Resource Management (HRM) towards performance improvement, such as “dynamic skills” required by individuals to manage performance (Ananthram *et al.*, 2013:282). According to Roca-Puig, Beltrán-Martin and Cipres (2012), cited in Ananthram *et al.* (2013:282), this has heightened the interest of researchers to focus their research on concepts like “measurement, accountability, reporting” in order to validate their role in improving organisational performance. The subsequent section explores managerial skills necessary for implementing PMS.

2.10.1 Skills in Performance Management

Regardless of the position in the organisational structure, Grobler, Wörnich, Carrell, Elbert and Hatfield (2011:341) believe that managers use a “mix of technical, conceptual and human-relations skills”. Technical skills embrace knowledge of equipment, work methods and work technologies that impact on a manager’s job; moreover technical skills are ‘more important’ to line managers than any other managerial levels, as line managers work closely with employees to apply organisational technology (Grobler *et al.*, 2011:341). Conceptual skills are used by managers in the organisation to “coordinate and integrate a wide array of organisational functions, activities, goals and purposes”, such as integrating production and financial functions to attain organisational goals (Grobler *et al.*, 2011:341-342). The human relations skills are used by managers to exercise leadership skills in “cooperative, satisfying relationships among workgroup members” to accomplish the task. According to Grobler *et al.* (2011:342), human relations skills are important for all managers in the organisation as they embrace the ability to communicate effectively with employees.

Reference is made to the roles of managers discussed in section 2.7 of this chapter. It is argued that the implementation of PMS in the municipality operates along the continuum of managerial functions such as planning, leading, organising, co-ordinating and controlling. Therefore, these managerial functions and related skills are necessary for an effective implementation of PMS. To support this argument, Holroyd and Field (2012:5) identify planning, monitoring and controlling as some managerial competencies. The UNDP (2009), cited in Ile *et al.* (2012:75), emphasises the role of planning in performance improvement.

Monitoring and evaluation are important components of the managerial functions (Ile *et al.*, 2012:vi). Managers should therefore possess skills to monitor and evaluate different components in the implementation of PMS in order to understand what is working and not working in the system. According to Görgens-Albino and Kusek (2009:2), monitoring is a continuous function that systematically collects data on specific indicators and provides information to management and stakeholders with regard to whether or not the development programme is achieving the set objectives envisaged, as well as giving an account of how the allocated resources have been

utilised in the programme. Furthermore Görgens-Albino and Kusek (2009:2) state that in an evaluation of performance, managers will systematically collect and do an objective assessment of the programme's effectiveness, whether or not it has achieved its developmental objectives. Smith, in Owen and Rodgers (1999), cited in Rabie (2011:26), states that the programme may refer to planned activities that have the purpose of effecting a positive change in the lives of the audience targeted by the programme. Therefore, it is deduced from above that managers must possess evaluative skills, monitoring skills, and a range of research skills to conduct feasibility studies, cost benefit analysis and resource utilisation analysis.

Stogdill (1948), Vroom and Jago (2007), and Bass (2008), cited in Van Wart and Kapucu (2011:490), state that "leadership and management require different competencies based on different situations". Therefore, in times of crisis or uncertainty, managers should respond decisively to steer an organisation out of danger. In view of potential crises in an organisation, Van Wart and Kapucu (2011:491) conceptualise crises and catastrophes to mean that "the system has been overwhelmed or taken off guard and outside resources and the concomitant external coordination are necessary for effective response and recovery". An inference is that in the midst of crisis, such as undesirable organisational performance, managers must 'step out' of their ordinary management roles to assume the ultimate responsibility to remedy the situation. In this way, a leader is unleashed from a manager. This view coincides with what DuBrin (2010:6) has stated, that "effective leaders also manage, and effective managers also lead".

Van Wart (2004, 2005), cited in Van Wart and Kapucu (2011:491), contends when the crisis emerges from an organisational environment, leadership "traits which are the relatively innate aspects and skills which are characteristics more amenable to training and study are found effective". Therefore (i) self-confidence, (ii) decisiveness, (iii) resilience, (iv) energy, (v) need for achievement, (vi) willingness to assume responsibility, (vii) flexibility (viii), service motivation, (ix) personal integrity, and (x) emotional maturity, are all identified as important traits; while (i) communication skills, (ii) social adeptness, (iii) the ability to influence and negotiate, (iii) analytic aptitude, (iv) technical competence, and (v) continual learning will serve as leadership skills that must be demonstrated in the period of crisis.

2.10.2 Implications of skills in government institutions

The OECD (2011:33) states that the public sector is competing for skilled labour with the private sector. The private sector pays competitive and market-related salaries in comparison with government institutions. It is stated that the “negative image of government may also make attracting qualified personnel that much tougher” (OECD, 2011:34). Furthermore, the existing HRM policies have succeeded to “integrate people with different backgrounds and experiences into the public workforce”; as a result the possibilities to obtain a range of skills necessary for adapting or organisational change management are limited (OECD, 2011:34).

In pursuit of “better management for a more efficient public sector”, public sector reforms should strive to ensure that “the appointments of office-holders or members of governance bodies must be based on merit, with adequate safeguards for the integrity of the recruitment process, good induction and training, and suitable terms of appointment including tenure” (OECD, 2011:36). The OECD (2011:39) further indicates that skilled public servants ensure that (i) government’s performance and good public governance are improved, (ii) good policy making is promoted and sustained, (iii) effective service delivery mechanisms are implemented, and (iv) efficiency in utilising public resources is promoted.

2.11 Attitudes required to implement PMS

Attitudes influence the implementation of an effective PMS. Schein (2010), cited in Padovani and Young (2012:102) indicate that attitudes are embedded in an organisational culture. According to De Waal and Counet (2009:369), if positive attitudes are not promoted, employees may not understand and accept the utilisation of PMS. These views suggest that positive attitudes should be promoted in the municipality. Perhaps the question is, ‘how?’ To answer this question, Padovani and Young (2012:103) propose that an organisational climate that encourages positive attitudes should be integrated in the design of a system. Moreover, Newcomer and Caudle (2011:122) state that change in attitudes of senior management is necessary and suggested a top-down approach that is linked to a bottom-up approach that is flexible and capable of involving all employees in an organisational performance.

This might pose yet another question, which positive attitudes? The answer to this question is commitment. Armstrong and Baron (2005:17) note that evidence from literature shows that management commitment is an important means to organisational policies. Furthermore, De Waal and Counet (2009:369) contend that “when management commitment and leadership buy-in for the implementation and use of the PMS is lacking, other organisational members will put less or no priority on working with the new system”. Following this, it is proposed that senior management must herald the importance of PMS in order to mitigate further resistance which might emerge from subordinates (De Waal & Counet, 2009:369). Accordingly, De Waal (2003:689-690) cautions that the utilisation and successful implementation of PMS may be possible if “managers have an intensified awareness of the importance of a performance management system”.

2.12 Conclusion

The literature presented in Chapter 2 has contributed to an understanding of PM and PMS concepts in the municipality for the purpose of improving organisational performance. To improve organisational performance, effective and efficient PMS must be implemented to assist managers to (i) clarify and agree on the strategy, (ii) collect useful information to measure whether performance is still progressing as planned, and (iii) to learn from collected information, lessons that will improve organisational performance.

The implementation of PMS in municipalities requires detailed knowledge and skills. Therefore managers must acquire a wide range of knowledge, synthesise knowledge, and apply it to improve organisational performance. Moreover, managers must possess technical, conceptual and human relations skills in order to effectively and efficiently implement PMS in municipalities.

Knowledge and skills will not suffice in isolation. Positive managerial attitudes, such as commitment, will drive the implementation of PMS in the organisation. Therefore, an organisational culture that encourages positive managerial attitudes must be promoted in municipalities.

CHAPTER 3

LEGISLATION AND POLICY FRAMEWORK REGULATING THE IMPLEMENTATION OF PMS IN SOUTH AFRICA

3.1 Introduction

The purpose of this chapter is to review the national and local government policy framework and guidelines within which PM and the implementation of PMS is regulated in South African municipalities. The existing PMS policy framework is intended to guide municipalities to improve their organisational performance effectively and efficiently and to attain citizenry developmental goals.

This chapter will logically draw from the available policy framework, regulations and guidelines to describe the process of developing and implementing PMS in South African municipalities as well as to reveal the nature of PMS's implementation in the Newcastle Municipality context.

3.2 Legislation and policy framework on PMS

In South Africa PMS is regulated by both national and local government policy frameworks.

3.2.1 Constitution of the Republic of South Africa, 1996

The municipalities in South Africa derive their legal mandate from Chapter 7 of the Constitution of the Republic of South Africa (RSA, 1996). Section 151(3) confers legal powers to the municipalities to govern and exercise their “own initiatives” at Local Government (LG). According to section 152, the performance of a municipality's functions should embrace the principles of LG that (i) promote democracy and accountability to its constituency, (ii) deliver services in a sustainable manner, (iii) promote socio-economic development, (iv) enhance a safe and healthy environment, and (v) promote various stakeholders' participation in the matters of the municipality. The above principles or “Key Performance Areas” (KPA's) are used to guide and assess the performance in the municipality (Jessa, 2012:49). According to Venter *et al.* (2007:113), these principles highlight ‘effectiveness’ and ‘efficiency’ in the utilisation of resources and can be attained through PMS.

Section 155(6) (b) mandates the Provincial Government (PG) to stimulate capacity building and development of municipalities with the aim to equip them with the capabilities required for effective functioning. Section 195(1) (h) in Chapter 10 of the constitution encourages public institutions to promote values and principles of “good human-resource management and career-development practices” in order to take full advantage of the “human potential” in delivering services.

3.2.2 The White Paper on Local Government (1998)

To give effect to the principles envisaged in section 152 of the Constitution of the Republic of South Africa, the White Paper on LG (DPLG, 1998) was passed. According to Venter *et al.* (2007:113), the White Paper signals the introduction of PMS in LG to ensure that municipalities are developmentally oriented. Section B (3) of the White Paper proposes (i) Integrated Development Planning (IDP) and budgeting, (ii) performance management, and (iii) community participation as “tools and approaches” for developmental LG.

Section B (3.1) outlines the significance of IDP, budgeting, and performance monitoring as a joint process, as well as key steps to be followed to attain an effective and efficient process. To name just a few, municipalities are expected to (i) conduct a situational assessment of socio-economic and environmental factors in their jurisdiction, (ii) determine the vision and developmental strategy to attain institutional goals within a specified time frame, (iii) conduct an “audit of available resources, skills and capacities” as well as, (iv) make use of monitoring tools to evaluate the impact and performance in the municipality.

According to Section B (3.2) municipalities must establish “key performance indicators” that will cater for efficiencies in the utilisation of resources and improve the quality of life in the constituencies. Section B (3.2) envisages that performance indicators will serve to aid municipalities to (i) gain more knowledge about the area of development in their jurisdiction, (ii) “plan more effectively”, and (iii) monitor the efficiency of resources allocated in service delivery. It is further stipulated in the same section that “performance monitoring indicators need to be carefully designed in order to accurately reflect the efficiency, quality and value-for-money of municipal services”.

Section B (3.13) of the White Paper obliges municipalities to develop institutional plans that embrace Human Resource Development (HRD) essential for capacity building in the municipality. It is envisaged that the institutional plans will aid municipalities to rearrange administration in order to enhance service delivery. Section F (2.2.1) specifies “managerial” and “worker empowerment” reform as vital mechanisms for improving internal efficiency at municipalities. It is suggested that the managerial reform should focus on building a strong culture and result-driven commitment in order to achieve “value for money” and to promote partnership in service delivery.

Section F (2.2.1) further goes on to propose performance-based contracts at strategic level as a strategy that will persuade managers to “focus on outputs”, while it is also anticipated that the development of a municipal code of conduct is likely promote ‘stakeholderism’ and staff development in departmental sections. Section F (2.2.1) states that “training and capacity-building is an essential part of both management reform and worker empowerment” and proposes “joint training programmes for managers from different line functions, or for management and workers” aimed at fostering a common understanding of organisational performance.

3.2.3 Municipal Systems Act, 2000 (No. 32 of 2000)

Chapter 6 of the Municipal Systems Act No. 32 of 2000 (RSA, 2000) obliges municipalities to develop and implement PMS. Section 38 (a) stipulates that municipalities must develop PMS that is: (i) guided by municipal resources available, (ii) appropriate to the contextual factors in the municipal jurisdiction, and (iii) capable of tracking progress against the municipal priorities, objectives and targets envisaged in the IDP. According to section 38 (b) of the Act, the municipality must stimulate a PM culture amongst employees that encapsulates effectiveness and efficiency in the use of resources.

Section 39 confers powers to the political leadership to manage the development of PMS and to dispense PMS responsibilities to the municipal manager who must “submit the proposed system to the municipal council for adoption”. According to section 40 of the Act, the “municipality must establish mechanisms to monitor and review its performance management system” (RSA, 2000:48). To give effect to

section 40, section 41 requires the municipality to: (i) develop a set of “key performance indicators” that will monitor and evaluate the extent of progress made against KPAs in the institution, (ii) establish PMS components that permit a municipality to measure and review performance, (iii) improve performance on KPAs that are not attained, and (iv) develop PMS that is capable of “regular reporting” to the relevant stakeholders.

Section 42 compels municipalities to collaborate with the local community in developing, implementing and reviewing of municipal PMS. Specific mention is made to the setting of key performance indicators and identification of performance targets that must be pursued by the municipalities. Section 43(1) (a) and (b) stipulates that in consultation with Members of the Executive Council (MECs) for Provincial LG and the South African Local Government Association (SALGA), the Minister may set “general key performance indicators” for all municipalities, and if deemed necessary, make amendments to these “general key performance indicators”.

To ensure compliance with the implementation of the municipal PMS, section 49(1) mandates the Minister with legal powers to enact “regulations or issue guidelines” to municipalities. According to section 49(1) (a), the Minister may grant incentives to Municipal Managers (MMs) and Strategic Executive Directors (SEDs) to ensure that they implement PMS that is effective and efficient, as stipulated in section 49(1) (k) (i) of the Act. According to section 55 in Chapter 7, the MM is responsible for developing an effective and efficient administration in the municipality. Among the administrative mechanisms is the implementation of municipal IDP, PMS, and instruments to monitor progress to ensure that the municipality is responsive to the needs of the citizenry.

In view of the above, sections 55(e) and 56(a) mandate powers to the MM to consult with the municipal council in the appointment of managers who will assist in carrying out responsibilities efficiently and effectively. Accordingly, section 56(b) compels managers appointed to possess “relevant skills and expertise” to allow them to perform their duties as expected. Furthermore, section 68 stipulates that the municipality must develop an HRD strategy aimed at building the skills capacity necessary to enable employees to function effectively and efficiently, as well as

ensuring that the HRD strategy is in line with the Skills Development Act 1998 (No. 81 of 1998) and Skills Development Levies Act 1999 (No. 28 of 1999).

3.2.3.1 Performance Management guide for municipalities, 2001

The Performance Management Guide for Municipalities (DPLG, 2001) relates to Chapter 6 of the Municipal Systems Act No. 32 of 2000 (RSA, 2000), which makes provision for the implementation of PMS in municipalities. According to the Department of Provincial and Local Government (DPLG, 2001:6), the guide was prepared to assist municipalities with ‘step-by-step’ guidelines on how to develop and implement PMS that benefits municipal settings and resource availability.

Section 3 of the guide outlines how the PM process should be initiated. According to section 3, the PM process should commence by clarifying the roles and responsibilities of stakeholders in the process, establishing and institutionalising the project team that will champion the overall process of PM and report to the MM. Section 3.2 further indicates that a project team “could be responsible for” (i) initiating an organisational change management process, (ii) developing the system, and (iii) providing support for system implementation.

Section 4 provides guidelines for developing PMS. The guidelines suggest that the development of PMS should be underpinned by a regulatory framework that will specify essential areas of the system, namely: (i) the start and the end of PM cycle, (ii) the components that will form part of PMS, (iii) champions’ and stakeholders’ roles, (iv) performance timeframes for monitoring, measurement and review processes, (v) performance aspects that will be managed, (vi) strategies for managing good and bad performance, and (vii) institutional arrangement of the performance project team. The municipalities are at liberty to develop and implement PMS that benefits their purpose and resources; however section 4.5 of the guide states that the development of a system must comply with “all the requirements set out” in the Municipal Systems Act No. 32 of 2000.

Section 5 guides the implementation and institutionalisation of PMS. According to the Department of Provincial and Local Government (DPLG, 2001:16), the IDP and PMS “should appear to be seamlessly integrated” since IDP forms the basis of planning PM in the municipality, while PMS is a mechanism for implementing the

“management, monitoring and evaluation of [the] IDP process”. Section 5 further suggests that the performance project team should be the same team as the IDP team which will be responsible for (i) planning performance, (ii) setting Key Performance Indicators (KPIs), (iii) setting performance targets, (iv) developing a monitoring framework, (v) designing a performance measurement framework, (vi) conducting performance reviews, (vii) improving performance, and (viii) reporting performance.

The successful implementation of PMS lies in the “capacity of line managers, executive management” and the relevant stakeholders participating in PM (DPLG, 2001:16). In the light of above statement, section 6.1 recommends skills capacity building and support for stakeholders participating in PMS for them to accomplish their commitments to PM processes. Section 6.1.1 further proposes that managers should be provided with training which will enable them to plan, monitor, review and improve performance effectively. Section 6.3 makes the recommendation that skills may be sourced from within the municipality. In the absence of capacity from within, specialists can be contracted externally. However, municipalities are cautioned not to contract out the development of the entire PMS to consultants, as consultants might not have an understanding of the community’s needs under the jurisdiction of the municipality (DPLG, 2001:42).

3.2.3.2 Local Government Municipal Planning and Performance Management Regulations, 2001

The Local Government Municipal planning and performance management regulations (RSA, 2001) were enacted to regulate Chapter 5 and 6 of the Municipal Systems Act No. 32 of 2000 (RSA, 2000). Chapter 2 of the regulations expands on the IDP, while Chapter 3 explicates the PM process in the municipality. Sections 2(1) (d) and (e) stipulate that the municipality’s IDP must identify projects, plans and programmes envisaged for implementation in the organisation, as well as KPIs “set by the municipality” to enable them to track progress and to manage the performance of IDP implementation.

Section 7 outlines the nature of PMS in the municipality. According to section 7(1), PMS consists of a “framework that describes and represents how the municipality’s cycle and processes of performance planning, monitoring, measurement, review,

reporting and improvement will be conducted”, as well as an identification of the roles of the relevant stakeholders. Section 7(2) (a) further states that the municipal PMS must comply “with all the requirements set out in the Act”.

3.2.3.3 Local Government Municipal Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006

The Local Government Municipal Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (RSA, 2006) extends from section 49 of the Municipal Systems Act No. 32 of 2000 (RSA, 2000), which is intended to reward the MMs and SEDs in order to stimulate compliance for the effective and efficient implementation of a municipal PMS as stipulated in section 49(1) (k) (i) and Chapter 6 of the Act.

Section 2(1) and 2(2) (a) of the regulations state that municipalities must utilise written employment contracts to appoint MMs and SEDs, as well as for the purpose of indicating their duties in detail. According to section 23, the municipal strategic management is expected to specify performance deliverables, “monitor and measure performance against set targeted outputs” as stipulated in the IDP, Service Delivery and Budget Implementation Plan (SDBIP) and section 25(2) of the regulations herein.

In terms of section 26(1) and 26(2), the municipal strategic management must participate in PMS for the purpose of assisting the organisation to “perform to the standard required”. Section 26(3) mandates the municipality to consult with the strategic management on specific KPAs that must be included in PMS and section 26(4) announces the responsibility of strategic management, that is, to enhance the “promotion and implementation of the KPAs” as specified by the municipality in various projects and programmes that form part of an individual manager’s responsibility.

Section 26(8) stipulates the core managerial and occupational competencies required from managers operating at strategic management level. In terms of the requirements, managers must demonstrate an understanding of (i) financial management, (ii) people management and empowerment, (iii) and client orientation and customer focus. Certain competencies are not compulsory; however section 26(8) states that managers must make the effort to demonstrate an understanding of

(i) strategic capability and leadership, (ii) programme and project management, (iii) change management, (iv) knowledge management, (v) service delivery innovation, (vi) problem solving and analysis, (vii) communication, (viii) honesty and integrity, (ix) competence in self-management, (x) interpretation and implementation within the legislative and national policy frameworks, (xi) knowledge of developmental local government, (xii) knowledge of performance management and reporting, (xiii) knowledge of global and South African specific political, social and economic contexts, (xiv) competencies in policy conceptualisation, analysis and implementation, including (xv) knowledge of more than one functional municipal field or discipline. Municipalities are compelled by section 30(1) and (2) to create a conducive environment in the organisation and to make managerial skills-development and capacity-building opportunities available for the purpose of supporting managers in performing their responsibilities effectively.

3.2.4 Municipal Finance Management Act, 2003 (No. 56 of 2003)

The Municipal Finance Management Act (MFMA) No. 56 of 2003 (RSA, 2003) serves as a financial reform that regulates efficiency and effectiveness in the management of municipal financial resources. The aim of the Act is to “secure sound and sustainable management of the financial affairs of municipalities and other institutions in the local sphere of government” (RSA, 2003:2). Section 53 of the Act regulates the annual revision of the IDP, as well as approval of the Service Delivery and Budget Implementation Plan (SDBIP) and linking to performance objectives thereof. Section 53(3) (a) and (b) stipulate the projection of municipal revenues and expenditure, as well as ensuring that targets and performance indicators are included in the SDBIP for performance measurement. Section 62 stipulates that the MM is the accounting officer responsible for promoting efficiency and effectiveness in the use of resources, as well as ensuring the availability of systems that will mitigate financial risk and fruitless expenditure in the municipality. Section 78 stipulates that senior managers and municipal officials should, within their areas of function, ensure that established systems are utilised “diligently” to enhance efficiency and effectiveness in municipal financial resources. Accounting officers, senior managers and other officials dealing in financial matters are compelled by section 83 to possess financial skills, while the municipal entity is obliged by section 83(2) to make

“resources or opportunities for the training of officials” available in the event of financial skills inadequacies.

3.2.5 Policy Framework for the Government-Wide Monitoring and Evaluation System, 2007

The Government-Wide Monitoring and Evaluation (GWM&E) System is the policy framework which regulates monitoring and evaluation (M&E) of performance in South Africa’s government institutions. The policy aims to “assist the public sector in evaluating its performance” and to locate factors which impact on service delivery (Presidency, 2007:5). According to Jessa (2012:64), the policy is reinforced by the ‘Framework for Managing Programme Performance Information’ from the National Treasury (The National Treasury, and the ‘South African Statistical Quality Assessment Framework’ from Statistics South Africa).

The GWM&E acknowledges that M&E in South Africa’s PM context is “extremely complex, multi-disciplinary and skill intensive” in nature; nonetheless, participants must possess “detailed knowledge both across and within sectors, and interactions between planning, budgeting and implementation”, since “government powers and functions are distributed across all spheres of government” (Presidency, 2007:5). Accordingly, it is a legal requirement that “the accounting officer of a department or municipality, or the chief executive officer of public entity” must establish and integrate an M&E system in their institutional PMS (Presidency, 2007:8).

The Presidency (2007:18) states that M&E promotes collection and utilisation of information and knowledge to enhance accountability and performance. Subsequently, government institutions should create a repository for storing M&E findings to promote their utilisation to improve performance. Furthermore, government institutions are encouraged to share “knowledge and wisdom generated through their M&E processes” (Presidency, 2007:18).

The framework on GWM&E clearly stipulates that managers require generic M&E skills for the ‘Framework for Managing Programme Performance Information’ and specialist skills for M&E strategy, coordination and quality assurance (Presidency, 2007:21). The framework also states that “to ensure that M&E adheres to the principle of methodological soundness, data and information management skills” are essential. People and communication skills are necessary for promoting

participation, while crucial skills for monitoring and evaluation of programmes are data collection, statistical analysis, understanding of sector policies and implementation modalities, facilitation skills for M&E participation, data quality assurance and evaluating the impact of poverty (Presidency, 2007:23). According to the framework, efforts should be made to integrate the acquisition of generic M&E skills through an institution's Skills Development Strategy (SDS), while specialist M&E skills may be sourced from the performance management unit if it exists in the institution (Presidency, 2007:21).

3.2.5.1 Framework for Managing Programme Performance Information, 2007

The Framework for Managing Programme Performance Information (National Treasury, 2007) underpins GWM&E and should be consulted jointly in order to have substantive understanding of how performance information ought to be managed in a broader public sector context in South Africa. The aim of the framework is to elucidate terminology and standards that encompass performance information as well as “systems and processes required for managing performance information” (National Treasury, 2007:1).

The framework states that performance information sounds the alarm to managers on areas that need “corrective action”. Furthermore, measuring performance ensures that “what gets measured gets done”, and managers can use available performance information to “pursue results-based management approaches”. The framework therefore serves as a policy document which “outlines key concepts in the design and implementation of management systems to define, collect, report and use performance information in the public sector” (National Treasury, 2007:1).

Section 3 stipulates that the ‘theory of change’, and concepts that must be integrated in the system that measure performance, namely: (i) inputs, (ii) activities, (iii) outputs, (iv) outcomes, and (v) impacts. According to section 3.2, “suitable performance indicators” must be specified to measure each concept of theory of change as illustrated in Figure 3.1 that follows.

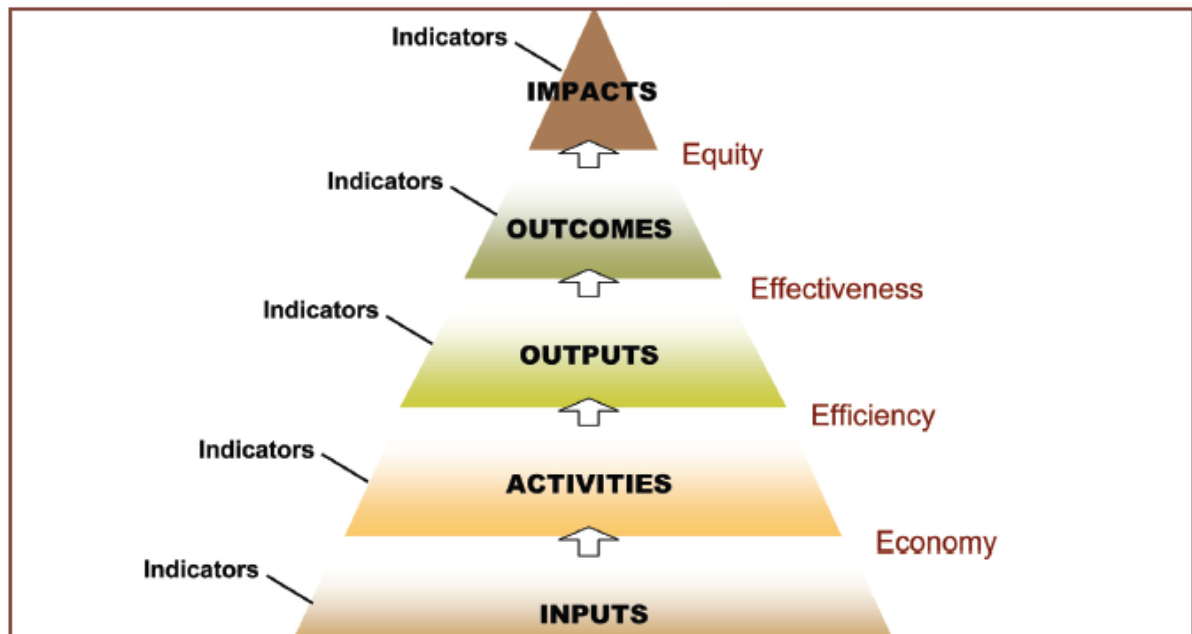


Figure 3.1: Indicators of economy, efficiency, effectiveness, and equity

Source: National Treasury (2007:7)

According to the National Treasury (2007:8), public sector institutions should develop indicators “that measure economy, efficiency, effectiveness” and equity on their interventions. Economy indicators assess whether inputs are obtained at a reasonable cost and “at the right time”, efficiency indicators evaluate “how productively inputs are translated into outputs”, and effectiveness indicators “explore the extent to which the outputs of an institution achieve desired outcomes”, while equity indicators evaluate fairness and impartiality in the delivery of services to the citizens (National Treasury, 2007:8-9).

Section 5 outlines the responsibilities of role players and the process of managing performance information. According to section 5.1(b), the accounting officer or head of an institution is “accountable for establishing and maintaining the systems to manage performance information”, while section 5.1(c) stipulates that “line managers and other officials” are accountable for establishing and maintaining the performance information process and systems within their areas of responsibility”. The National Treasury (2007:14) further stipulates in section 5.3 that line managers “remain responsible” for setting up and operating the system, and “for using performance information to make decisions”.

Section 5.2 states that performance information “should be integrated within existing management processes and systems”. Furthermore, section 5.2 obliges accounting officers and heads of institutions to ensure that performance information complies with the “definitions and technical standards” outlined in the South African Statistical Quality Assessment Framework. Section 5.3 states that the head of the institution is responsible for ensuring that “adequate capacity” is available in the institution for integration and management purposes. Furthermore, section 5.3 proposes aligning capacity “to the planning and financial management functions” and ascertaining that focus is given to (i) overall design and management of indicators, (ii) data collection, and (iii) collation and verification processes.

3.2.5.2 South African Statistical Quality Assessment Framework (SASQAF), 2010

The SASQAF underpins GWM&E as well, and both frameworks should be read together to gain an understating of how to conduct a credible assessment of performance indicators and performance data in the public sector. Moreover, The Presidency (2011:12) also stipulates that the quality of data should be judged by SASQAF standards.

In essence, the SASQAF evaluates and certifies performance indicators (statistics) produced by the state’s organs (Statistics South Africa, 2010:2). The purpose is to allow producers of statistics and participants to conduct their own data assessment in line with data quality declarations (Statistics South Africa, 2010:2). According to Statistics South Africa (2010:3), data quality refers to:

fitness for use of statistical information, i.e. the degree to which a set of inherent characteristics in the statistical data fulfils user requirements, measured in terms of the prerequisites and eight dimensions of quality, namely: relevance, accuracy, timeliness, accessibility, interpretability, comparability and coherence, methodological soundness and integrity.

Furthermore, Statistics South Africa (2010:6) further stipulates the prerequisites that must be met. They are institutional conditions that may impact on data quality produced, such as the availability of human resources. According to Statistics South Africa (2010:9), data produced is specified as quality and “acceptable statistics” if

institutions utilise personnel with skills levels that are high; however data may be considered “poor statistics” if personnel possess “inadequate skills”.

3.2.5.3 Evaluation Competency Framework (ECF) for Government, 2012

An ECF is still in its draft stage and specifies knowledge, skills and abilities required by managers and users of performance findings carried out in the national evaluation systems (Presidency, 2012:3). Notwithstanding its scope, it is argued that it is also relevant to municipalities for two reasons: (i) the majority of skills specified in the framework are similar to those sought from managers in the municipalities as regulated in the Local Government Municipal Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (RSA, 2006) discussed above in section 3.2.3.3 and (ii) an ECF expands on the essential skills that are mentioned in the GWM&E framework that is also applicable to municipalities as discussed above in section 3.2.5. In the light of the above, an ECF will be used to assess the skills in Newcastle Municipality.

An ECF suggests the following competencies for managers and users evaluating performance: (i) contextual knowledge and understanding of institutions, people and politics, (ii) ethical conduct as it relates to government standards and ethics, (iii) interpersonal skills for developing collaborative, co-operative and respectful relationships with those involved in evaluating performance, (iv) leadership skills for strategic planning, thinking strategic and decision making, (v) evaluative discipline and practice which relates to answering questions about the basic logic model (theory of change) underpinning the intervention, (vi) research practice as it relates to clarifying methods, their strengths and challenges, (vii) evaluation planning by means of articulating the basic logic model, (viii) managing the evaluation process effectively in terms of handling contract and supply chain management, (ix) report writing and communication by means of constructive feedback on reports, and (x) ability to synthesise recommendations from report and to draft improvement plan based on recommendations (Presidency, 2012:4-14).

3.2.6 Learning Framework for Local Government, 2012

The Learning Framework for Local Government states clearly that it “aims to support managers and employees in municipalities to address learning in the workplace”

(SALGA, 2012:3). Section 2 emphasises the purpose of addressing employees' learning needs. Section 2.1(a) stipulates that the municipality should strive to cater for continuous training and development of employees to ensure that the municipality attains its "vision, mission and strategic objectives", as well as to equip employees for the implementation of its IDP.

Section 2.1(b) compels municipalities to "manage training and development" of employees in line with national policies. According to section 2.1(c), "a pool of suitably qualified" employees should be made available to address scarce and critical skills shortages in senior positions (SALGA, 2012:3). Furthermore, section 3 states that employees' learning needs can be determined through a skills audit process or by inferring information from their Personal Development Plans (PDPs) that are formulated during PM. However, for section 54A and 56 managers, a comprehensive competence assessment guided by "Competence Framework developed for them" will suffice in identifying their learning needs.

3.2.7 National Human Resources Management and Development Strategy (HRM&D): Blueprint for Local Government, 2013

The HRM&D: Blueprint for LG (SALGA, 2013b) asserts that there is a need for an LG workforce that is skilled in order to promote "the objectives of the government". The HRM&D: Blueprint for LG further states that municipalities "must become even more responsive to the identification of skills requirements, human resource data management and the availability of skills" for the purpose of dealing with emerging challenges in the LG sphere (SALGA, 2013b:4-5). In light of the above, the strategy aims to build capacity for the developmental state by stressing the improvement of HRM&D at LG (SALGA, 2013b:5).

According to SALGA (2013b:22), changes at global, national and local levels compel communities to "rethink" how they are governed. The municipal management should be able to "mobilise resources" to attain developmental goals that are responsive to community needs. SALGA (2013b:30-31) views the strategic role of HRM&D as the mechanism that "facilitates performance improvement through people" and to cite a few, proposes capacity development in (i) management and supervisory skills, (ii) change management skills, (iii) leadership skills, (iv) operational planning, and (v) performance management. SALGA (2013b:38) further

states that a “high performance culture” can be attained through (i) skills profiling and assessment, (ii) skills development, (iii) leadership and management development, and (iv) knowledge management activities.

3.2.8 Performance Management Framework for the Newcastle Municipality, 2005

Following legal requirements from diverse legislation and Municipal Planning and Performance Management Regulations, Newcastle Municipality has implemented PMS guided by a policy titled “Performance Management Framework for the Newcastle Municipality” (Newcastle Municipality, 2005:3). A PM framework for Newcastle Municipality (2005:4) states that PM will be carried out on its (i) IDP, which constitutes performance at an organisational level, and (ii) SDBIP, which constitutes performance at an operational level (departmental). Furthermore it is envisaged that both IDP and SDBIP will link performance measures to individual managers as required by Municipal Planning and Performance Regulations and the MFMA (Newcastle Municipality, 2005:5).

The Newcastle Municipality (2005:5-6) states that the goals of its PMS are to (i) enable accountability between stakeholders, (ii) provide lessons for improvement, (iii) sound the alarm on performance deviations, and (iii) inform decision making. To mention a few, PMS in Newcastle is grounded on principles of (i) simplicity in order to accommodate the “current capacity constraints”, (ii) cognisance of existing resource limitations, (iii) integration with other management processes, (iv) and credible and reliable information (Newcastle Municipality, 2005:6-7).

The MM, directors, line managers and steering committee are mentioned as key role-players in the process of PM (Newcastle Municipality, 2005:9). Figure 3.2 illustrates how the process is carried out in Newcastle Municipality.

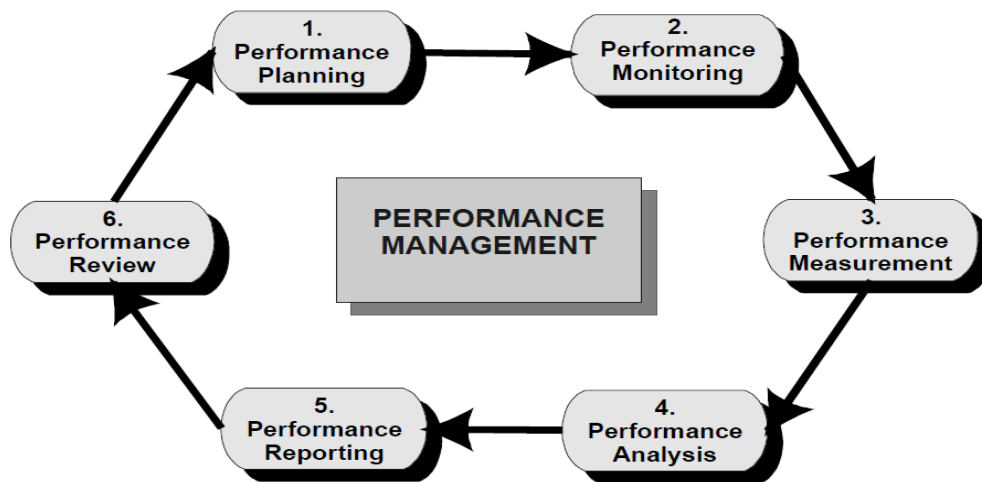


Figure 3.2: Process of performance management in Newcastle Municipality

Source: Newcastle Municipality (2005:8)

According to Newcastle Municipality (2005:10), the process is cyclical and commences with performance planning where an IDP is compiled and an annual review of the previous year's performance is undertaken concurrently. Performance monitoring soon follows and "is an ongoing process" that is carried out by respective managers who must gauge current performance against pre-set targets in their designated sections (Newcastle Municipality, 2005:10). Performance measurement succeeds monitoring. Newcastle Municipality (2005:11) views it as a method of "collecting and capturing performance data" on specified indicators and targets that will be part of reporting. The role of individual managers is to collect, organise and record performance information in a prescribed system (Newcastle Municipality, 2005:11).

Performance information is then interpreted and analysed to ascertain whether performance targets have been met or not. According to Newcastle Municipality (2005:11), performance analysis will serve to facilitate ascertaining what has worked and what has not, necessitating recommendations. The last two stages in the process of PM are performance reporting and reviewing. Newcastle Municipality (2005:12) states that the first performance report is paramount, since it culminates in a 'blueprint' which will guide the implementation of PMS in the municipality. In Newcastle Municipality the last two stages are intertwined in order to report performance to the leadership, at the same time allowing the leadership to review

performance and to decide “on appropriate action” (Newcastle Municipality, 2005:12-13).

Further sections in PMS framework of Newcastle Municipality (2005:16) propose auditing the system for effectiveness, complying with legal requirements, and ensuring that “performance measurements are reliable”. The audit committee is legally constituted and is responsible for commissioning an investigation of the current PMS on the basis of (i) prolonged poor performance, (ii) unreliable information “being provided”, or (iii) “random ad-hoc” commission (Newcastle Municipality, 2005:18). Section 9.4 places the responsibility of capacitating the internal auditors to the municipal entity and there is no mention of how the managerial capacity for implementing PMS will be developed (Newcastle Municipality, 2005:20).

3.2.9 Refinement of the PMS for Newcastle Municipality, 2013

The Newcastle Municipality, in terms of its PMS framework as mentioned in the last paragraph of section 3.2.8 above, commissioned Sigma IT, an independent company, based on unspecified reasons, to refine PMS in the municipality. According to Sigma IT (2013:4), they were appointed under BID NO. 03/2013 to refine PMS in Newcastle Municipality. The project vision hopes to “develop an easy to use and aligned performance management system which encourages a culture of performance and boosts oversight and reporting on service delivery progress” (Sigma IT, 2013:5).

Sigma IT (2013:6) notes that the project deliverables include (i) “reviewing PMS framework and aligning it to the latest” legislation framework, (ii) amending current policies to cater for electronic performance management and transferring of PMS to “lower levels”, (iii) developing PMS standards, and (vi) training managers and councillors on PMS. It was envisaged that the project would commence on the 21st of May 2013 and conclude on the 7th of June 2013 (Sigma IT (2013:11).

3.2.10 Performance Management Framework for the Newcastle Municipality, 2013

Newcastle Municipality refined its PMS and enacted a draft framework in 2013 named Performance Management Framework for the Newcastle Municipality. The majority of sections remained in line with the former framework and a new draft framework has made significant strides to cascade PM down to employees at lower levels to ensure that every employee in the municipality contributes effectively to organisational performance (Newcastle Municipality, 2013:14).

Following the refinement of PMS, the municipality rearranged its PM process into (i) planning, (ii) monitoring, (iii) measurement, and (iv) reviewing and reporting to clarify in detail the responsibilities of relevant role-players. In the performance planning phase the IDP is developed, reviewed and “seamlessly integrated” with the PM process. Newcastle Municipality (2013:19) contends that in this manner the “integrated development planning fulfils the planning phase of performance management”, while PM “fulfils the implementation management, monitoring and evaluation of the IDP process”. It is a series of steps that includes identification of KPAs, development of indicators, setting performance objectives and targets in the IDP, developing and adopting a SDBIP, development and acceptance of organisational and departmental score cards, and aligning processes to legislative requirements (Newcastle, 2013:19-24).

The monitoring phase is an annual ongoing process that complements the implementation of IDP and is carried out in the various municipal departments (Newcastle Municipality, 2013:25). Section managers play an active role in monitoring and reporting performance, while the management team is instrumental in determining corrective measures to be implemented and promoting “a culture of collective management” (Newcastle Municipality, 2013:26). According to Newcastle Municipality (2013:28), the measurement phase assesses performance data collected during monitoring. The performance review phase follows the measurement phase and it assesses the actual performance effects of IDP, whether progress against KPAs and targets is attained or not (Newcastle Municipality, 2013:31). The PM process concludes when the municipality has reported its actual attained performance against KPAs, objectives, targets, measurement and analysis to various stakeholders for recommendations (Newcastle Municipality, 2013:35).

The Newcastle Municipality (2013:34) acknowledges that PMS may fail due to “inappropriate organisational culture”, lack of skills and capacity. It is further suggested in the draft PMS framework that causal factors should be analysed “through coaching sessions” at all levels of the organisation and proper solutions implemented ranging from (i) identification of training and skills needs, to (ii) change and diversity management courses to correct inappropriate organisational culture (Newcastle Municipality, 2013:35). Moreover, the framework requests “commitment and dedicated leadership from stakeholders participating in the PMS” (Newcastle, 2013:63).

3.3 Conclusion

The policy framework from national and local government culminates in a co-ordinated system of approach which provides flawless directives to municipalities for the attainment of the KPAs and objectives envisaged in the Constitution of the Republic of South Africa, namely, municipalities that deliver services in a sustainable manner and whose intent is to become developmentally oriented. The principles that emerged from legislation, regulations and guidelines are efficiency and effectiveness with regard to the populace’s resources. To adhere to these principles with community resources, municipalities should develop and implement PMS that fits their contextual circumstances as guided by directives in order to improve organisational performance.

The White Paper on LG proposed IDP, SDBIP, PM and public participation as strategies to enhance service delivery. The bulk of legislation has unified these strategies into PMS tool and government has requested compliance from municipalities. Newcastle Municipality has developed, implemented and refined its PMS to align it with existing legislation in order to deliver services efficiently and effectively, as well as to improve organisational performance.

CHAPTER 4

DATA COLLECTION METHODS, ANALYSIS OF DATA AND FINDINGS OF RESEARCH AT NEWCASTLE MUNICIPALITY

4.1 Introduction

The fundamental purpose of this chapter is to provide a detailed account of quantitative data collected, descriptive analysis, presentation of results and to provide findings from results obtained at Newcastle Municipality in order to provide answers to the research question and objectives posed in Chapter 1 of the study.

This chapter also provides a descriptive account of data-collection tools and methods used. This includes sampling procedures, reliability and validity of methods, ethical considerations and challenges encountered during the study processes.

4.2 Data-collection methods

The study was conducted at Newcastle Municipality where authorisation was requested and subsequently approved (see Annexure A and B). A structured quantitative survey questionnaire was used to collect data. It was issued by hand upon meeting with participants, as well as sent electronically to participants who were not available for face-to-face meetings. Although the researcher collected the majority of completed questionnaires *in situ*, the participants who were not present for personal visits delivered their completed questionnaires in a sealed envelope to the liaison person in the municipality, while electronic questionnaires were emailed to the researcher after completion. The records of all issued and returned questionnaires were maintained using a unique sequence number assigned to each questionnaire issued.

4.2.1 Study population and sampling procedures

Newcastle Municipality was chosen as the study population as it was accessible from the researcher's place of work and residence. A stratified sampling method was chosen to identify a probable population sample of management and performance management practitioners from an organisational organogram at the municipality.

The population sample therefore comprised the municipal manager, chief of operations, strategic executive directors, directors, line managers, PMS unit practitioners and IDP practitioners, all of whom are responsible for performance management at the municipality. All the management levels and performance management practitioners stood an equal chance to be included in the study population at Newcastle Municipality.

- **Population size and return rate**

A probable population size that was identified from Newcastle Municipality's organogram (see Annexure C) for the purpose of this study was a total of 89 employees; however only 50 employees made themselves available. Table 4.1 shows the return rate from Newcastle Municipality.

Table 4.1: Return rate from Newcastle Municipality

Questionnaires issued	50
Questionnaires returned	38
Return rate	76%

Source: Compiled by author

4.2.2 Data-gathering tools and methods

A structured quantitative survey questionnaire with a Likert rating scale was used as instrument to collect data on knowledge, skills and attitudes of management and PM practitioners at Newcastle municipality. The questionnaire (see Annexure D) was structured into four sections and contained test items that were coded:

- Section A: Biographical details of the respondents
- Section B: Managerial knowledge required for implementing PMS
- Section C: Managerial skills required for implementing PMS
- Section D: Managerial attitudes required for implementing PMS

Various methods were used for the data-collection process based on prevailing conditions at the municipality, such as the availability of respondents for the data-collection process and municipal work-related activities. For the purpose of this study, the personal and electronic surveys were used.

- **Personal survey**

According to Malhotra, Hall, Shaw and Oppenheim (2002), cited in Polonsky and Waller (2005:113), a personal survey is “a structured questionnaire given to a sample of a population and designed to elicit specific information from respondents”. This method was appropriate as the researcher had direct contact with respondents on a one-on-one basis in order to build rapport with the respondents and increase the chance of a favourable response rate. It also allowed the researcher to ensure that a questionnaire was completed on the spot and collected immediately, thus maintaining the confidentiality of data collected.

- **Electronic survey**

This method allowed a researcher to send a questionnaire via email to the respondents who were not available in person. Malhotra *et al.* (2002), cited in Polonsky and Waller (2011:114), state that this method is fascinating for respondents since it gives them an opportunity to complete the questionnaire during leisure time and is associated with a “quick turnaround rate”. During data collection, this method proved fruitful and convenient in situations where scheduled appointments were cancelled due to unforeseen municipal matters.

4.2.3 Reliability and validity of data-collection methods

The reliability and validity concentrated on the questionnaire, test items contained in the questionnaire, and results obtained during the data-collection process. Goddard and Melville (2001:41) regard the reliability of a data-collection instrument by its ability to obtain the measurements consistently, while validity means that “the instrument measures what it is intended to measure and that it measures this correctly”. Welman *et al.* (2005:142) state that when the instrument fulfils the requirement of measuring what it is designed for, it is termed “construct validity” of results. The term ‘reliability’ questions the trustworthiness of findings: whether they will lead to a reliable conclusion (Welman *et al.*, 2005:145).

The content of sections B, C and D as well as coded test items contained in the questionnaire was established from the academic literature and legislation framework reviewed during this study, and written by experts in the field of performance management. The sections and test items of the questionnaire were

directly linked to the research objectives in this study to answer research questions. Section A of the questionnaire contained test items (i.e. work experience and qualifications of respondents) that were used to make inferences and to validate the reliability of the results obtained from section B and C of the questionnaire.

During the data-collection process, all respondents were issued with identical questionnaires and the responses obtained were consistent with the test items contained in a questionnaire. The questionnaire used a Likert scale consistently to ensure that respondents were able to rate themselves with certainty and to ensure that measurement reactivity of respondents to attitudinal statements was eliminated. The structured style of the questionnaire ruled out responses that were beyond the scope of this study. The anonymity of participants and objectivity of the researcher in the study were maintained to increase the credibility of the results. The researcher's systematic observation at the municipality throughout the data-collection process gave further input to the study.

4.2.4 Ethical considerations

Ethical considerations were emphasised throughout the study process. Goddard and Melville (2001:49) state that research should not harm people and should demonstrate respect for individual privacy. Welman *et al.* (2005:181) assert that ethical considerations play a role when participants are selected and subjected to a research procedure, as well as during the release of results.

Authorisation was obtained from the municipality prior to conducting the study; during the data-collection stage participants were informed of their rights in emails (see Annexure E) requesting appointments, as well as on the instruction cover of the questionnaire. Sealable envelopes were left with the liaison person in the municipality, and some were distributed together with questionnaires in order to ensure confidentiality and anonymity at all times.

4.2.5 Data-collection challenges

The data-collection process encountered numerous challenges that impeded the progress of the research.

- Permission to conduct the study was granted only after three months. It appeared as if the officials in the municipality did not evince any interest in the study and the value it would add to the municipality.
- The first available opportunity was given to the top officials from the end of March 2014. Follow-up telephone calls and emails were not responded to.
- The process was extended to other management levels after the Easter holidays. The process was halted by the reality that the majority of management staff were occupied by preparations for the national elections scheduled to take place on the 7th of May 2014 and the celebration of election victory thereafter.
- In May, after the election hype had subsided, few appointments were realised. Some were rescheduled because of the hectic management activities and extended management meetings that occupied the entire day in the municipality.
- The municipal telephone booklet provided had not been updated and a substantial number of managers could not be located from the telephone numbers listed in the telephone booklet. Further to this challenge, the switchboard frequently experienced technical failure in relaying calls to certain municipal departments.
- The latest organogram structure instrumental in the identification of the study population was useful to a large extent; however it displayed limitations during the selection of the study population and for accurate estimation of the population size. Some directorates listed in the organogram did not correctly reflect the reality at the municipality and in some cases the accuracy of the organogram was disputed by the directors and acting directors participating in this study. The researcher had to rely on directors to ascertain the number of managers reporting to them and it was not possible to ascertain the number of managers from directorates that did not respond to the request to meet with the researcher.
- The municipality was undergoing major construction of its new office block, envisaged to be a 'one stop' for all the municipal services. During the data-collection process, the management was located in various buildings throughout

the town while other staff members remained in the office block that had not yet been demolished. This arrangement challenged the mobility of the researcher during the data-collection process, as it took more time to move from one appointment to the next in a different building, and as a result the process took longer than initially anticipated.

- Appointments were requested from all directorates through telephonic contact and emails. Some directorates did not respond, while others responded and agreed in principle; however they lacked the courage to schedule times for appointments despite follow-up strategies employed.
- The data-collection timeframe coincided with the financial year-end at the municipality and management staff with financial responsibilities withdrew their participation in the study, citing work commitments.
- Certain managers and directors were reluctant to complete their questionnaires at the stipulated time.
- Management in the office of the municipal manager were unwilling to participate without an instruction from the municipal manager instructing them to do so. This was despite the researcher producing the letter from the municipality acknowledging the study.

4.3 Data analysis and presentation of results

Data was recorded on Microsoft Excel using the unique sequence numbers of questionnaires and codes of test items. Responses were tallied and verified against the total number of respondents to ensure correctness and accuracy of data capturing. Data analysis was carried out in twofold, viz., the initial and further analysis of results to increase the validity and reliability of results.

4.3.1 Biographical details of respondents (Section A)

Section A of the questionnaire was used to collect biographical details of participants and it contained six test items. The participants were requested to indicate their age group and the responses obtained are presented in Table 4.2.

Table 4.2: Age of respondents at Newcastle Municipality

Age group	Number	Percentage (%)
21–30 years	3	8
31–40 years	15	39
41–50 years	11	29
61+ years	5	13
TOTAL	38	100

Source: Compiled by author

The majority of participants were mainly between the ages of 31 to 40 years and 41 to 50 years respectively. Table 4.3 shows that black and white respondents were predominant in the study. The results also revealed that there were more male participants than female participants as shown in Table 4.4.

The core participants in the study were the line managers and the results are shown in Table 4.5.

Table 4.3: Race of respondents at Newcastle Municipality

Race	Number	Percentage (%)
Black	25	66
Coloured	0	0
Indian	3	8
White	10	26
TOTAL	38	100

Source: Compiled by author

Table 4.4: Gender of respondents at Newcastle Municipality

Gender	Number	Percentage (%)
Male	22	58
Female	16	42
TOTAL	38	100

Source: Compiled by author

Table 4.5: Participants in the study at Newcastle Municipality

Job	Number	Percentage (%)
Line Manager	25	66
Accounting Officer	0	0
Director	6	16
PMS Employee	5	13
Strategic Executive Director	2	5
TOTAL	38	100

Source: Compiled by author

Table 4.6 and 4.7 display the competence of participants at Newcastle municipality, both in work experience and educational qualifications.

Table 4.6: Work experience of participants at Newcastle Municipality

Experience	Number	Percentage (%)
Under 1 year	5	13
2–5 years	6	16
6–10 years	5	13
11–15 years	10	26
16–20 years	5	13
21+ years	7	19
TOTAL	38	100

Source: Compiled by author

Some of the educational qualifications in Table 4.7 were abbreviated owing to the limited space in the table. The full meanings of abbreviations are explained in the 'List of Abbreviations' in the preliminary pages.

Table 4.7: Qualifications of participants at Newcastle Municipality

Qualification	Number	Percentage (%)
None	0	0
Lower than Matric	0	0
Matric	2	5
HC or ANC	3	8
Diploma or AC	7	18
Bachelor's degree or AD	10	26
Honours degree or PGQ	12	32
Master's degree	4	11
Doctoral degree	0	0
TOTAL	38	100

Source: Compiled by author

4.3.2 Managerial knowledge of respondents (Section B)

Section B of the questionnaire had ten test statements collecting data on knowledge required for the implementation of PMS in the municipality. The respondents were required to rate the extent to which they agreed or disagreed with the statements. A Likert scale was used to rate their knowledge where a scale of 1–5 indicated:

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Data analysis of all test statements was summarised and presented in Table 4.8. The results on all test statements showed that the majority of respondents agreed and strongly agreed concurrently that:

- They use knowledge to identify the desired performance and to determine performance objectives.
- Knowledge is used to identify solution strategies to the performance challenges that affect the success of the organisation.
- They know how to conceptualise a theory of change (logic model) into a programme during planning.

- They promote knowledge management and knowledge-sharing practices in the organisation in order to improve performance.
- They know what the developmental local government is all about in a period of transformation.
- They possess detailed knowledge of how to link planning, budgeting and implementation.
- They have detailed knowledge of the context in which the organisation operates, including its people and the existing politics.
- They are familiar with the implementation of PMS in the organisation and can relate their knowledge to others.
- They know how to conceptualise, analyse and implement municipal policies as well as how to relate them to broader government policies such as GWM&E.
- They possess knowledge of more than one municipal functional field or discipline and understand how the organisation is related to other institutions in South Africa.

The results also showed that a significant number of respondents were not sure how to conceptualise, analyse and implement policies at the municipality and how to relate them to broader government policies such as GWM&E.

The results summarised in Table 4.8 were further analysed to ensure their reliability and validity by reducing a Likert scale from five points (i.e. strongly disagree, disagree, neutral, agree and strongly agree) to three points (i.e. disagree, neutral, and agree). The reduction in scale was attained by merging closely related scale points (i.e. strongly disagree and disagree were merged as disagree, while agree and strongly agree were merged as agree).

Figure 4.1 represents the results of all the test statements that were further analysed using a reduced Likert scale. Green bars denote 'agree', yellow bars denote 'neutral', red bars denote 'disagree' and purple bars denote total respondents. Further analysis of data also confirmed that the majority of respondents agreed with all test statements.

Table 4.8: Managerial knowledge available at Newcastle Municipality

Code	Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree	TOTAL
B1	Use of knowledge to identify the desired performance and to determine performance objectives	4	0	3	18	13	38
B2	Use of knowledge to identify solution strategies to the performance challenges impinging on organisational success.	3	1	4	17	13	38
B3	Use of knowledge to conceptualise a theory of change (logic model) into a programme	2	1	5	17	13	38
B4	Promotion of knowledge management and knowledge sharing practices in the organisation for improving performance	2	0	5	19	12	38
B5	Possession of knowledge about developmental local government in a period of transformation	2	0	5	14	17	38
B6	Possession of knowledge about how to interact planning, budgeting and implementation	1	1	6	13	17	38
B7	Possession of knowledge about the context in which the organisation operates, its people and the existing politics	2	1	5	12	18	38
B8	Knowledge of the implementation of PMS in the organisation and how to relate the knowledge to others	2	0	1	17	18	38
B9	Knowledge of how to conceptualise, analyse and implement policies and to relate them to broader policies such as GWM&E	1	0	13	14	10	38
B10	Knowledge of more than one functional field or discipline and understanding of how the municipality is related to other institutions	1	2	7	13	15	38

Source: Compiled by author

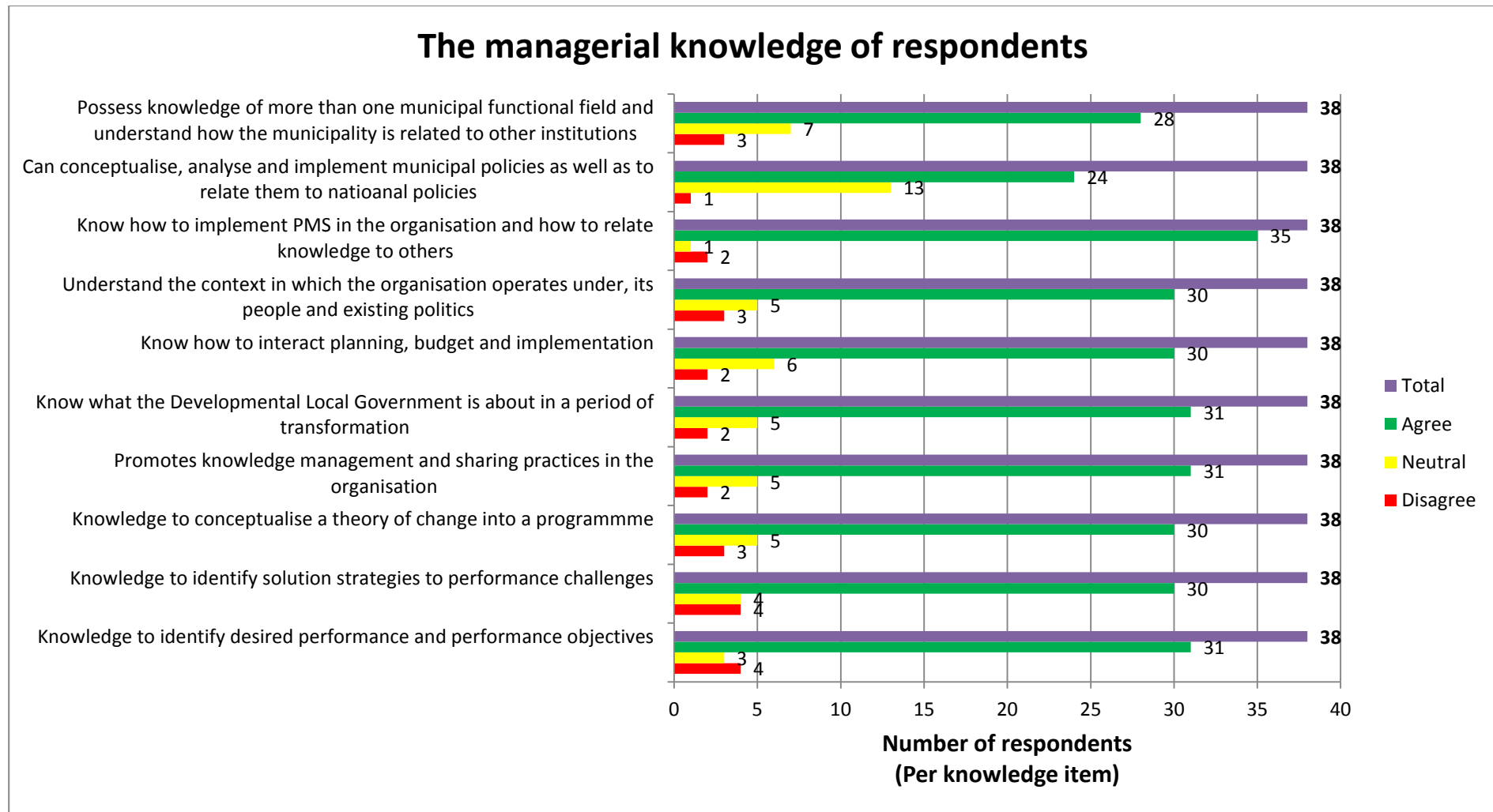


Figure 4.1: Managerial knowledge available at Newcastle Municipality

Source: Compiled by author

4.3.3 Managerial skills of respondents (Section C)

Section C focused on the skills that are required for implementing PMS in the municipality and contained six leading questions (test items). The results obtained are presented in the subsequent paragraphs.

In Question C1, respondents were asked to indicate the type of PMS training they have acquired. The analysed responses are shown in Table 4.9. Out of 38 respondents, the majority (21) of respondents had acquired training through their job activities, while only six respondents had not acquired training on PMS. The total number of responses (65) obtained outweighed the number of participants (38) in this question; this is due to the fact that the question requested respondents to indicate, where possible, more than one training that was acquired.

Table 4.9: Training acquired by employees at Newcastle Municipality

Training type	Response
None	6
Inducted during the implementation	9
On-the-job training	21
Job-specific training	8
Short courses	10
Professional development	11
TOTAL RESPONSES	65

Source: Compiled by author

In Question C2, respondents were asked to indicate the duration of the training they had acquired. Figure 4.2 illustrates the results obtained in both the actual number of respondents and percentages. Out of 38 respondents, the key results show that 13 (34%) respondents had spent more than a year on training while six (16%) respondents had spent twelve months on training. Further analysis of Question C2 showed that 19 (50%) respondents had spent twelve months or more on training.

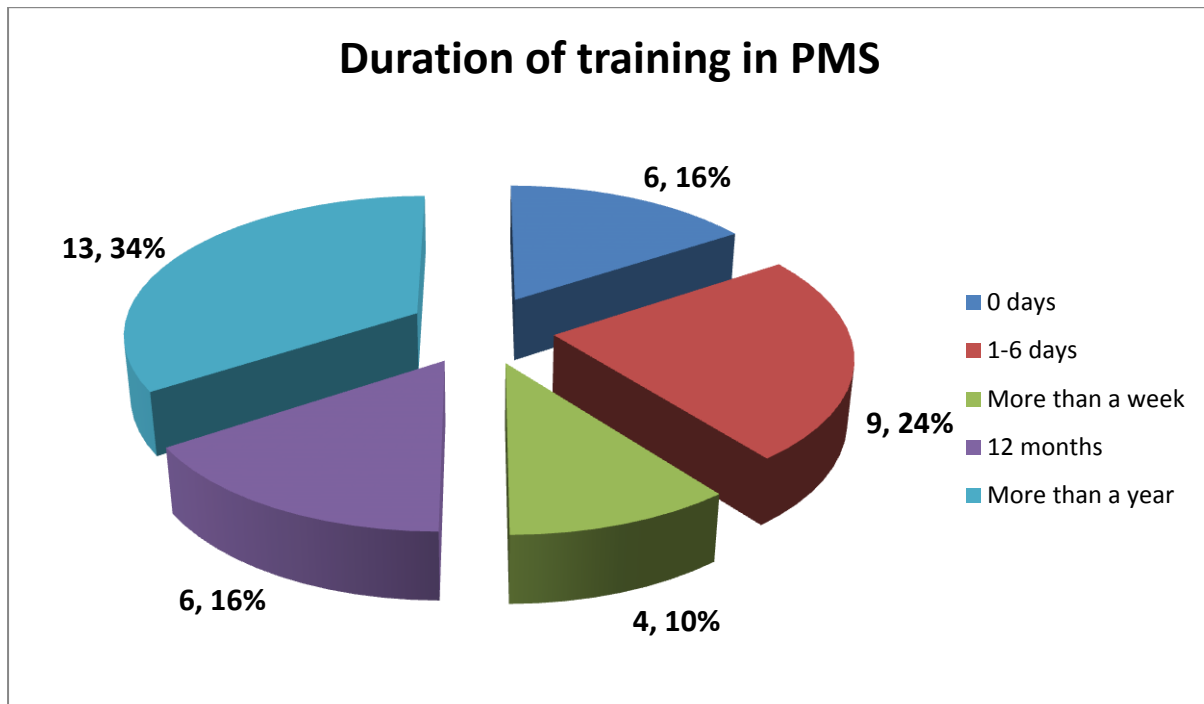


Figure 4.2: Duration of training at Newcastle Municipality

Source: Compiled by author

In question C3 respondents were asked to indicate, where possible to indicate more than once how the training was obtained or provided to them. Table 4.10 summarises the responses obtained. The dominant methods of training were internal training programmes facilitated by the organisational members, self-training through job specific activities and training through external training providers funded by the municipality.

Table 4.10: Training methods at Newcastle Municipality

Training method	Response
No training was provided to me	7
Self-taught through job-specific training	14
In-house training facilitated by organisational member(s)	17
External training providers funded by self	4
External training providers funded by the organisation	13
TOTAL RESPONSES	55

Source: Compiled by author

In Question C4, the respondents were requested to evaluate the overall quality of training they received. Analysed results are shown in Figure 4.3 as actual numbers of respondents and percentages.

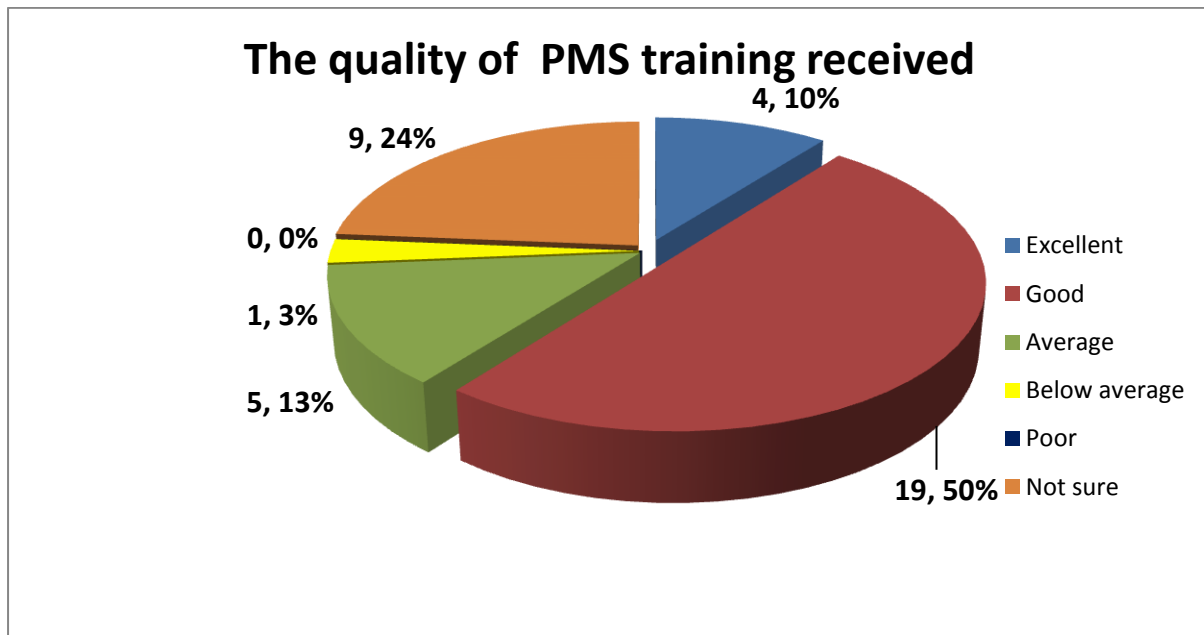


Figure 4.3: Overall quality of training at Newcastle Municipality

Source: Compiled by author

About half (50%) of respondents perceived the overall quality of training as 'good' and four (10%) respondents perceived it as 'excellent'.

In Question C5, respondents were provided with a list of 15 skills and requested to rate their confidence in each skill using a Likert scale, where 1 to 5 denoted:

1	2	3	4	5
Very bad	Bad	Neutral	Good	Very good

The analysis of responses is summarised and presented in Table 4.11. No respondent indicated the confidence as 'very bad' in all the skills. Only eight respondents indicated their confidence as 'bad' in certain skills from a combined list of skills which can be identified from the following skills:

- Change management.
- Report writing and communication of performance.
- Interpretation and implementation of legislation.

- Designing a performance measurement framework.
- Monitoring and evaluation of performance.
- Research practice and methods.

The results also show that to some extent, above half of the respondents indicated their confidence as 'good' in all skills; this is taken from the double-digit responses under the column 'good' in Table 4.11. Comparatively, fewer than half of the respondents indicated their confidence as 'neutral' in all skills and fewer than half of the respondents indicated their confidence as 'very good' in all skills.

To ensure that the results were reliable and valid, the skills identified in Table 4.11 were further analysed by reducing a Likert scale from five points (i.e. Very bad, Bad, Neutral, Good, and Very Good) to three points (i.e. Bad, Neutral, and Good). The reduction in scale was achieved by merging closely related scale points (i.e. Very bad and Bad were merged into Bad, while Good and Very Good were merged into Good). The results of all skills further analysed using a reduced Likert scale are summarised and presented in two graphs, Figure 4.4 and Figure 4.5. Green bars denote 'good', yellow bars denote 'neutral', red bars denote 'bad' and blue bars denote the total respondents. A further analysis of data also confirmed that above half (50%) of respondents perceived their confidence in all the skills as 'good'.

In Question C6, respondents were requested to identify where possible, more than one skill from similar skills as those in Question C5 or shown in Table 4.11 they would like to improve. The analysed results are ranked in chronological order from the highest number of respondents as shown in Table 4.12. In a list of skills provided, the respondents had indicated that they would like to improve all skills. The top five skills that had the highest numbers of respondents were: change management (21 respondents), financial management (21 respondents), designing performance measurement framework (19 respondents), people management and empowerment (17 respondents), and setting key performance indicators (13 respondents).

Table 4.11: Confidence of employees in skills at Newcastle Municipality

Skill	Very bad	Bad	Neutral	Good	Very good	TOTAL
Financial management	0	0	9	25	4	38
People management and empowerment	0	0	8	22	8	38
Leadership for strategic planning and decision making	0	0	8	19	11	38
Programme and project management	0	0	6	21	11	38
Change management	0	2	14	20	2	38
Knowledge management	0	0	9	25	4	38
Problem solving and analysis	0	0	3	26	9	38
Report writing and communication of performance	0	1	4	21	12	38
Interpretation and implementation of legislation	0	1	11	21	5	38
Designing a performance measurement framework	0	2	16	19	1	38
Monitoring and evaluation of performance	0	1	7	26	4	38
Research practice and methods	0	1	7	22	8	38
Planning of performance	0	0	10	26	2	38
Setting key performance indicators	0	0	10	23	5	38
Drafting of improvement plans based on recommendations	0	0	9	21	8	38

Source: Compiled by author

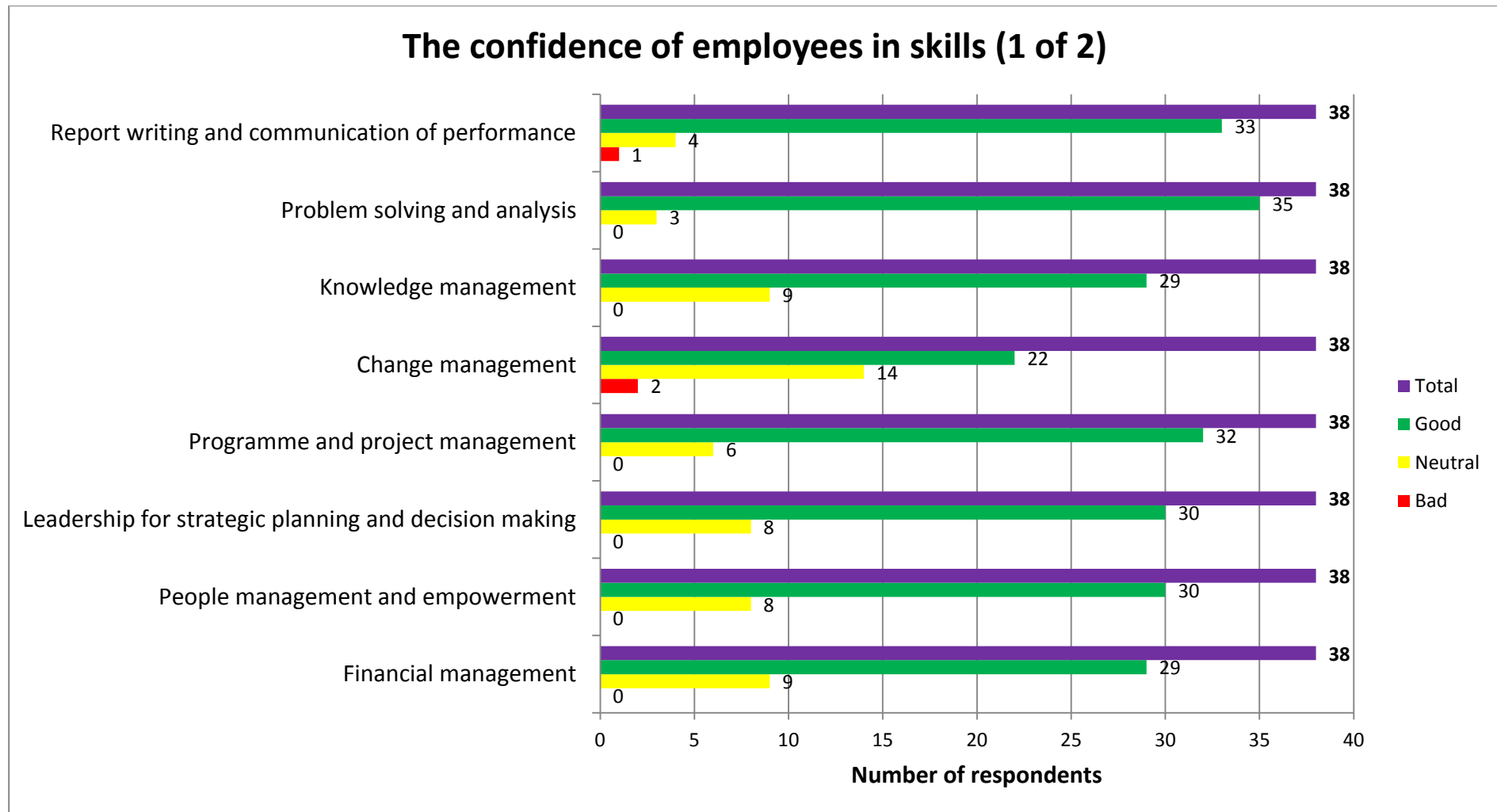


Figure 4.4: Confidence of employees in skills at Newcastle Municipality (1 of 2)

Source: Compiled by author

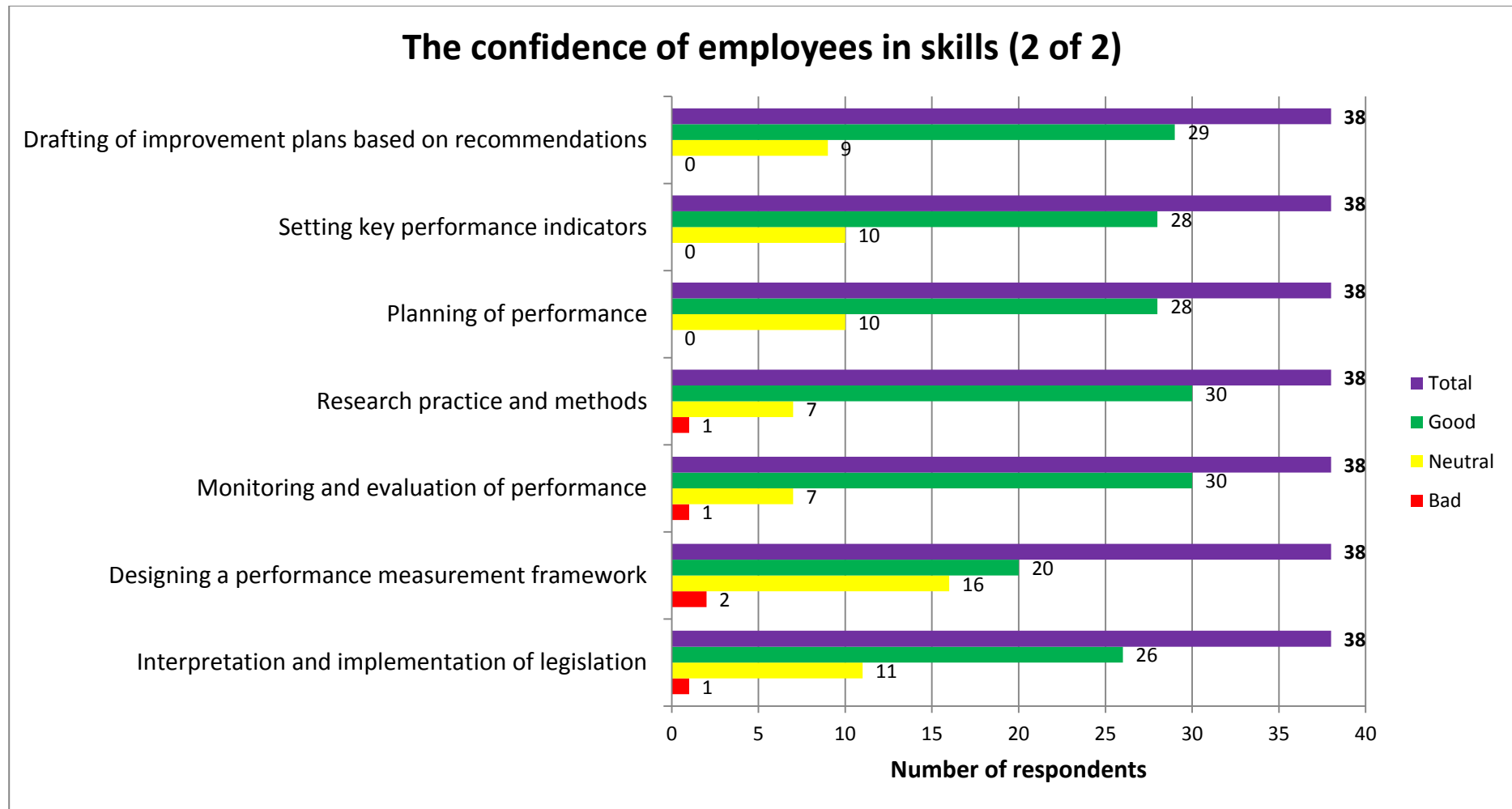


Figure 4.5: Confidence of employees in skills at Newcastle Municipality (2 of 2)

Source: Compiled by author

Table 4.12: A chronological list of skills for improvement at Newcastle Municipality

Skill	Respondents	Total Respondents
Change management	21	38
Financial management	21	38
Designing a performance measurement framework	19	38
People management and empowerment	17	38
Setting key performance indicators	13	38
Planning of performance	12	38
Interpretation and implementation of legislation	11	38
Knowledge management	11	38
Research practice and methods	11	38
Drafting of improvement plans based on recommendation	10	38
Leadership for strategic planning and decision making	9	38
Monitoring and evaluation of performance	9	38
Problem solving and analysis	9	38
Programme and project management	8	38
Report writing and communication of performance	7	38

Source: Compiled by author

4.3.4 Managerial attitudes of respondents (Section D)

Section D focused on attitudes that are required for implementing PMS in the municipality and contained ten test statements. The respondents were requested to rate the extent to which they agreed or disagreed with each test statement using a Likert scale, where 1 to 5 denoted:

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Data analysis of all test statements was summarised and presented in Table 4.13. The results obtained varied with each test statement. The majority of respondents agreed and strongly agreed concurrently that the implementation of PMS takes more time and effort than anticipated, management plays an active role in the implementation of PMS from the beginning to the end, PMS is not used for the daily management of the organisation, there is a lack of knowledge and skills in the municipality required for the implementation of PMS, and also that the municipality does not have sufficient resources and the capacity vital for implementation of PMS.

The majority of respondents disagreed and strongly disagreed concurrently that management devotes less time to the implementation of PMS, PMS implementation does not have clear goals and a comprehensible strategy, and the organisation does not have a performance management culture.

The majority of respondents were neutral to the statement which stated that there is a lack of positive attitude from members in the organisation towards PMS and the statement which stated that PMS is implemented to comply with legislation rather than as an internal control measure for the organisation. Furthermore, in both statements the results did not disclose the state of affairs at Newcastle municipality.

The results were further analysed to confirm their reliability and validity. A further analysis of results reduced a Likert scale from five points (i.e. strongly disagree, disagree, neutral, agree and strongly agree) to three points (i.e. disagree, neutral, and agree). A reduced scale merged closely associated scale points (i.e. strongly disagree and disagree were merged as disagree, while agree and strongly agree were merged as agree). Further analysed results are summarised and presented in Figure 4.6. Green bars denote 'agree', yellow bars denote 'neutral', red bars denote

'disagree' and purple bars denote total respondents. Further analysis of data confirmed similar results as those in the preceding paragraphs.

Table 4.13: Managerial attitudes at Newcastle Municipality

Code	Statement	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	TOTAL
D1	Management dedicates less time to the implementation of PMS	4	13	11	6	4	38
D2	The implementation of PMS takes more time and effort than anticipated	0	6	3	21	8	38
D3	There is a lack of positive attitude from members in the organisation towards PMS	2	5	16	14	1	38
D4	PMS implementation does not have clear goals and understandable strategy	6	12	10	8	2	38
D5	Management plays an active role in the implementation of PMS from beginning to end	0	4	5	20	9	38
D6	PMS is implemented for complying with legislation rather than as an internal control tool in the organisation	6	7	12	7	6	38
D7	PMS is not used for the daily management of the organisation	3	5	14	13	3	38
D8	There is a lack of knowledge and skills pertaining to the implementation of PMS	2	10	11	13	2	38
D9	The municipality does not have sufficient resources and capacity vital for implementation of PMS	4	7	12	10	5	38
D10	The organisation does not have a performance management culture	7	8	12	7	4	38

Source: Compiled by author

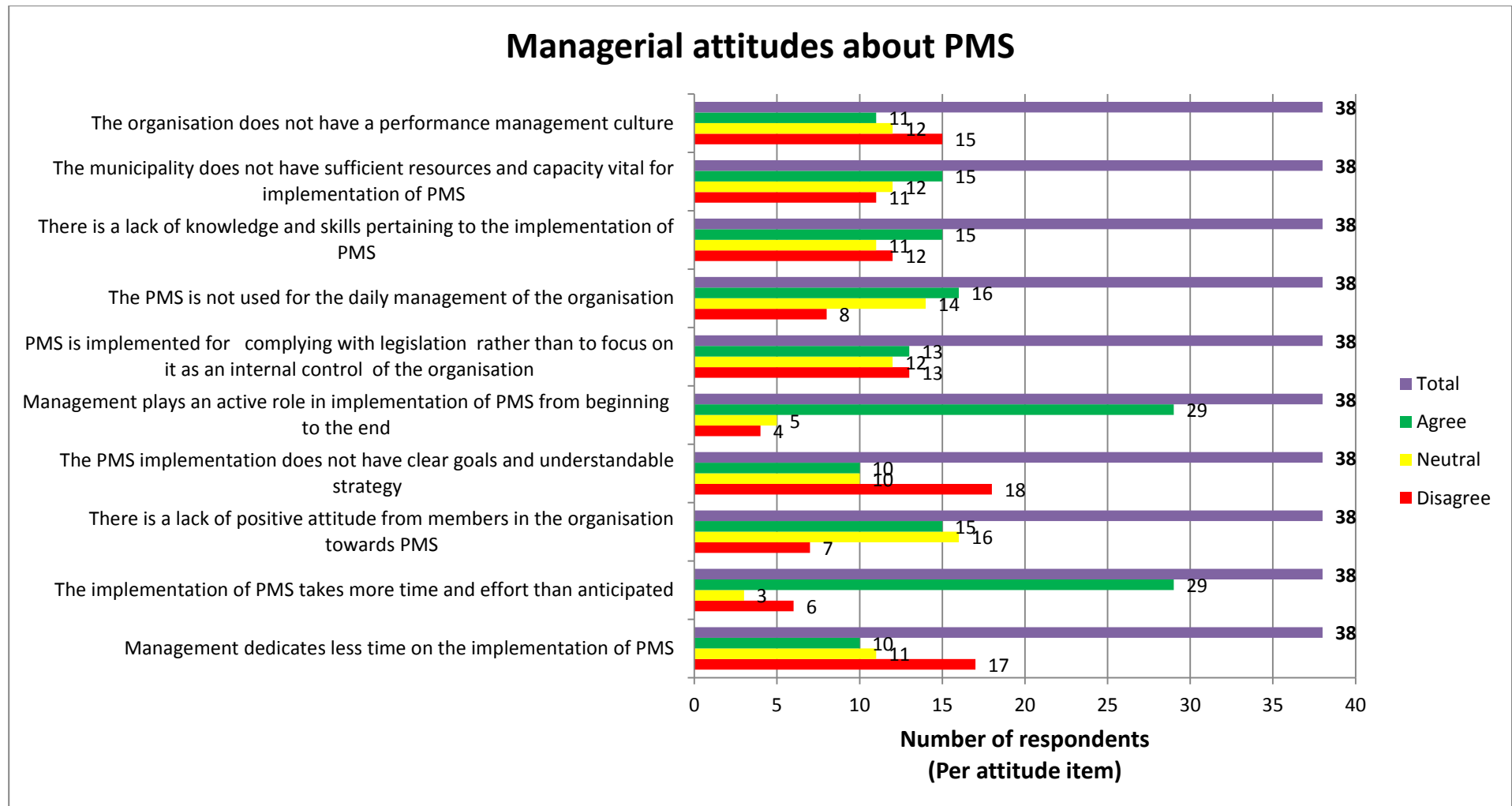


Figure 4.6: Managerial attitudes to PMS implementation at Newcastle Municipality

Source: Compiled by author

4.4 Summary of findings

The study has produced findings from the analysed data that was collected from Newcastle Municipality in order to provide answers to the research questions and to respond to the research objectives posed in Chapter 1 of this study.

4.4.1 Educational qualifications and work experience

About 95% of respondents at Newcastle Municipality were in possession of post-matric educational qualifications and 87% of respondents had accumulated more than one year of work experience in the municipality (see Table 4.6 and 4.7 respectively).

4.4.2 Managerial knowledge required for implementing PMS

The majority of respondents at Newcastle Municipality have shown (see Table 4.8 and Figure 4.1) that they possess all the knowledge that is required for implementing PMS in the municipality. This includes knowledge to identify desired performance and to determine performance objectives; knowledge to identify solution strategies to performance challenges that impinge on the municipality's success; knowledge to conceptualise a logic model into a programme during planning; knowledge management and knowledge-sharing practices for improving performance; knowledge of developmental local government in a period of transformation; knowledge of how to link planning budgeting and implementation; knowledge of the context in which the municipality operates as well as its people and politics; knowledge pertaining to the implementation of PMS in the municipality and the ability to relate the knowledge to others; knowledge to conceptualise, analyse and implement policies in the municipality, as well as to relate them to broader government policies such as GWM&E; knowledge of more than one municipal functional field or discipline; and the understanding of how the municipality is related to other institutions in South Africa.

Although the majority (24) of respondents were confident that they knew how to conceptualise, analyse and implement policies in the municipality and to relate them to broader government policies such as GWM&E, a considerable number (13) of respondents were undecided in their responses and it is a cause for concern for this

study as it was partially motivated by the ‘knowledge requirement’ contained in the GWM&E policy (see section 3.2.5) and its underpinning ECF policy (see section 3.2.5.3).

4.4.3 Managerial skills required for implementing PMS

The study also found that the majority of respondents at Newcastle municipality believed that all their skills required for implementing PMS in the municipality were ‘good’ (see Table 4.11, Figure 4.4 and 4.5). Despite these positive findings, an insignificant number (7) of respondents at first analysis believed that their skills were ‘bad’ in change management, interpretation and implementation of legislation, designing a performance measurement framework, and research practice and methods. The results later revealed that the aforementioned skills should not be regarded as insignificant as they formed part of the top seven skills that the majority of respondents identified as skills that they would like to improve in the future (see Table 4.12).

The results further showed that the municipality has made minimal efforts to fund respondents for the enhancement of skills required for the implementation of PMS and the most prevalent method adopted in the municipality is an in-house training programme facilitated by organisational members (see Table 4.10). Furthermore, the majority of respondents showed that PMS training was acquired mainly through job-related activities in the municipality, over a period equal to twelve months or more, and that the overall quality of training was acceptable to the majority of respondents (see Table 4.9, Figure 4.2 and Figure 4.3).

4.4.4 Managerial attitudes required for implementing PMS

The results revealed that the majority of respondents at Newcastle Municipality believed that management dedicates more time to the implementation of PMS, the implementation of PMS takes more time and effort than anticipated, PMS implementation has clear goals and an understandable strategy, management plays an active role in the implementation of PMS from beginning to end, PMS is not used for the daily management of the organisation, there is a lack of knowledge and skills pertaining to the implementation of PMS, and the municipality does not have

sufficient resources and capacity vital for implementation of PMS; they also believed that the municipality has a performance management culture in place.

The results also revealed that the majority of respondents were undecided whether or not there was a lack of positive attitudes from members in the municipality. Furthermore, the respondents were neither able to agree nor disagree whether PMS was implemented for complying with legislation rather than as an internal control tool in the municipality.

4.5 Conclusion

An assessment of managerial knowledge, skills and attitudes at Newcastle Municipality has shown that the majority of respondents possess the required knowledge and skills required for implementing PMS for organisational performance. Contrary to these positive findings, the study further elicited that there is a need to improve existing skills, despite the municipality making efforts to provide training opportunities in the organisation. Some findings on managerial attitudes did not plainly show the *status quo* at the municipality, owing to the majority of respondents that were unable to indicate whether or not members lacked positive attitudes in the municipality and whether or not the implementation of PMS was carried out for the sake of compliance with legislation, rather as an internal controlling tool in the municipality.

The next chapter provides the discussion, interpretation and implications of the findings in relation to the theoretical framework reviewed in Chapter 2 and 3 in order to draw conclusions and make recommendations.

CHAPTER 5

DISCUSSION OF FINDINGS, RESEARCH CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

The aim of this chapter is to provide a discussion of findings summarised in section 4.4 of the previous chapter, together with the theoretical framework reviewed in Chapter 2 and 3, in order to answer the research question posed in Chapter 1: What are the available managerial knowledge, skills and attitudes required for implementing PMS for organisational performance at Newcastle Municipality? This chapter also discusses the implications of the findings and provides an important conclusion drawn from the data presented in Chapter 4 in order to make recommendations for further research and practicable actions for Newcastle municipality.

5.2 Discussion of findings

The findings are discussed according to themes that were surveyed and linked to research objectives:

- Assess the managerial knowledge available for implementing PMS at Newcastle Municipality;
- Assess the managerial skills available for implementing PMS at Newcastle Municipality; and
- Evaluate the managerial attitudes towards the implementation of PMS at Newcastle Municipality.

5.2.1 Managerial knowledge required for implementing PMS

The results shown in Table 4.8 and Figure 4.1, and the summary of findings in section 4.4.2, certainly show that performance managers at Newcastle Municipality possess extensive knowledge necessary for the implementation of an effective PMS in the municipality. However the findings differ from those of Joyce and Donahue (2003), cited in Andrews and Boyne (2010:443), who assert that managerial capacity is inadequate in government institutions. According to the findings at Newcastle

Municipality, knowledgeable employees ensure that PMS is used effectively (De Waal & Counet, 2009:370). Furthermore, Marr (2009:5) believes that knowledgeable employees are able to deliver results within an organisation.

5.2.1.1. Use of knowledge to identify desired performance and solution strategies

The findings that management and performance management practitioners use knowledge to identify desired performance and solution strategies, imply that the municipality, through its employees, will be able to identify the ideal results and outputs it seeks to achieve. Furthermore, performance managers will be able to apply correct solutions to the correct “complex problems” that impinge on organisational performance (Esu & Inyang, 2009:101-102).

5.2.1.2. Knowledge to conceptualise a theory of change in a programme

The performance managers are able to conceptualise the theory of change (logic model) into a programme when planning. Reddy *et al.* (2003:127) propose that PM should be underpinned on design in order to predict results and to evaluate the effectiveness and efficiency of resources assigned to an intervention. Section 3 of a Framework for Managing Programme Performance Information (National Treasury, 2007) compels government institutions to map the theory of change in their planning. It is then expected at Newcastle Municipality that performance managers will manage to forecast desirable performance, and to allocate resources effectively and efficiently in the municipal interventions.

5.2.1.3. Implementation of PMS and knowledge management

Performance managers have shown that they understand how to implement PMS and know how to relate knowledge to other employees, as it was confirmed that KM and knowledge-sharing practices are promoted for the purpose of improving organisational performance. Zahra and George (2002), cited in Walshe *et al.* (2010: 230), state that knowledge must be acquired, assimilated, transformed and exploited in the organisation to improve performance. Buenstorf and Murmann (2005), in Walshe *et al.* (2010:230), hold that organisations with such processes will be able to apply knowledge to complex and changing organisational environments, while Walshe *et al.* (2010:230) affirm that organisations learn better from their KM

processes how to improve organisational performance. Knowledge that is shared intensifies among users, as suggested by De la Mothe and Foray (2001), cited in Earl (2003:57), and an organisation with KM strategies located at management level is more productive (Earl, 2003:56).

5.2.1.4. Knowledge about government policies and developmental issues

It was also evident from the majority of respondents that knowledge of government policies and developmental issues exists. Section B(3) of the White Paper on Local Government (DPLG, 1998) deals extensively with knowledge requirements for understanding the Developmental Local Government in a period of transformation to ensure that government programmes achieve effectiveness and efficiency in resources when delivering developmentally oriented services.

Section 7 of the Local Government Municipal Planning and Performance Management Regulations (RSA, 2001) and Policy Framework for the Government-Wide Monitoring and Evaluation Systems (Presidency, 2007) both emphasise the detailed knowledge required for performance managers to understand the interaction between planning, budgeting and implementation in government interventions and policies. The latter policy also, as well as section 26(8) of the Local Government Municipal Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers (RSA, 2006), suggests that managers should possess knowledge of more than one municipal field (discipline) and the ability to relate municipal policies to broader government policies in order to understand the municipal “extremely complex” contextual factors that underpin its operation as well as to understand how “distributed” spheres of government are interrelated with one another. The Evaluation Competency Framework for Government (Presidency, 2012) is still in its draft stage; yet it encapsulates very well the above-mentioned knowledge that is required from managers in the various spheres of government.

5.2.2 Managerial skills required for implementing PMS

The results presented in Table 4.11, Figure 4.10, and Figure 4.11, and the summary of findings in section 4.4.2, indicates that managers of performance at Newcastle Municipality perceive all their managerial skills as ‘good’. Therefore, managers of performance will rely on their skills to master the inner working of PMS and to deliver

the envisaged organisational results (De Waal & Counet, 2009:370; Marr, 2009:5). According to Pollitt and Bouckaert (2004), cited in Andrews and Boyne (2010:443), managerial skills are essential for effective service delivery and improvement of performance. In the light of this, it is believed that skills available at Newcastle Municipality will empower performance managers to discharge their PM- related functions effectively as stipulated in the Performance Management Framework for the Newcastle Municipality (Newcastle Municipality, 2005:16-26; 44-49; Newcastle Municipality, 2013:26-36, 43-49).

The availability of managerial skills at Newcastle Municipality, as it was the case with managerial knowledge discussed in section 5.2.1, differs from the claims made by Joyce and Donahue (2003), cited in Andrews and Boyne (2010:443), that managerial capacity is inadequate in government institutions. Perhaps the availability of managerial skills at the municipality should be attributed to the joint efforts of the municipality and its employees. In support of this possibility, Pollitt and Bouckaert (2004), in Andrews and Boyne (2010:443), state that to improve managerial capacity in government, efforts are being made through several initiatives that enhance management reforms and managerial quality worldwide.

Furthermore, the results obtained at Newcastle Municipality and the Performance Management Framework for the Newcastle Municipality (Newcastle Municipality, 2005:6-7), suggest that the municipality is making an effort to improve managerial capacity. The latest Performance Management Framework for the Newcastle Municipality (Newcastle Municipality, 2013:34) acknowledges skill improvement, while section 3.5.6.3 of the framework alludes to 'human resources'. However, it does not clearly detail how managerial capacity will be improved nor does it indicate how the Performance Management Framework will be interlinked with other municipal skills improvement policies. Ananthram *et al.* (2013:282) suggest the role of HRM as the solution to organisational performance.

The National Human Resources Management and Development Strategy: Blueprint for Local Government (SALGA, 2013b:3-5) is making strides to compel municipal human resources departments to develop a strategy that will respond to (i) skills identification, (ii) supply, (iii) demand, (iv) retention, (v) employability, and (vi) social

mobility for the purpose of mitigating emerging challenges and attaining the vision of developmental local government.

At Newcastle Municipality the researcher found three relevant policies relating to skills development: the Internship Policy, Human Resources Development Policy and Policy for the Granting of Bursaries and Study Assistance. The policies were not reviewed in Chapter 3, as there is no clear evidence when these policies were created, adopted and amended. In the absence of these criteria, these policies are not deemed credible as sources of authority. The first page of each policy is attached as Annexure F, for information only.

Above 50% of respondents are qualified through short courses and professional development in managerial skills necessary for implementing an effective PMS. Moreover, in-house training facilitated by organisational members dominated the training methods used at the municipality. Therefore, the qualified 50% of performance managers may join forces with PMS unit to further strengthen PM skills in the municipality. It is suggested in the findings presented in Table 4.8 and Figure 4.1, that sharing practices is common amongst employees in the municipality. In support of this, PMS unit in the municipality is responsible for capacity building and support (Performance Management Framework for the Newcastle Municipality (Newcastle Municipality, 2013:16-17).

It is therefore deduced from the findings that the majority of employees are pleased with the overall quality of training provided in the municipality. Therefore, Earl (2003: 65) supports the principle of sharing in the organisation and contended that (i) it promotes competitive advantage, (ii) prepares employees to meet goals, (iii) enhances efficiency, (iv) promotes alliances, (v) prevents the loss of capacity as a result of workers' departure, and (vi) promotes collaboration in projects or teams that are physically separated owing to departmentalisation in the organisation. The Organisation for Economic Co-operation and Development (OECD, 2011:40) indicates that mobilisation of skills in government ensures that employees develop and implement better policies.

The study at Newcastle Municipality suggests that there is a need to improve existing managerial skills. In the interest of the study, the skills were chronologically arranged and presented in Table 4.12. The immediate need for managerial skills

improvement is in: change management, financial management, designing a performance measurement framework, people management and empowerment, and setting key performance indicators. If these skills are not immediately attended to, performance managers may not be able to implement an effective PMS nor will they be able to fulfil their responsibilities as envisaged in the Performance Management Framework for the Newcastle Municipality (Newcastle Municipality, 2013:16-17). Further to this need, the municipality may not achieve 'goal congruence' (Tung *et al.*, 2011:1289).

The municipality should derive its mandate from various empowering provisions and improve managerial skills at Newcastle Municipality. Legislation such as section 195 (1) (h) of the Constitution of the Republic of South Africa as amended, encourages municipalities to promote human resource management in order to benefit from employees in delivering of services; section B (3.1.3) and F (2.2.1) of the White Paper on Local Government (DPLG, 1998) obliges municipalities to develop plans that focus on human resource development for the purpose of promoting managerial and 'worker empowerment'; and section 68 of the Municipal Systems Act, No. 32 of 2000 (RSA, 2000) compels municipalities to develop a human resource development strategy to give effect to section 56(b) of the Act which specifies the skills and expertise required from directors.

Central to this study, the GWM&E (Presidency, 2007), together with its underpinning policies reviewed in section 3.2.5.1, 3.2.5.2 and 3.2.5.3 (consulted together), direct municipalities to develop an effective PMS in order to monitor and evaluate their organisational performance. The GWM&E compels performance managers to acquire detailed knowledge and skills in order to execute their PM functions effectively in the municipality. Moreover, the municipality is encouraged to integrate the Skills Development Strategy into its institutional plans to ensure that performance managers acquire skills, or that alternatively, skills may be sourced from PMS unit.

The findings on managerial knowledge and skills at Newcastle Municipality are accepted as 95% of respondents are in possession of post-matric educational qualifications and 87% of respondents have more than a year of work experience in the municipality. Kaslow (2004), in Falender and Shafranske (2007:232), contends that an individual who demonstrates capability and the ability to understand certain

tasks in line with job expectations is competent owing to his or her qualifications and the amount of time spent training.

5.2.3 Managerial attitudes required for implementing PMS

The study at Newcastle Municipality did not only focus on managerial knowledge and skills, but on managerial attitudes as well. It is widely believed that knowledge and skills on their own cannot assure the desired organisational performance (Holroyd & Field, 2012:5). In the light of this, Newcastle Municipality (2013:34) also states that PMS may be hampered by an undesirable organisational culture. The study was then extended to managerial attitudes, and the results are presented in Table 4.13, Figure 4.12 and section 4.4.4 in the summary of findings. The findings presented a mixture of reactions from respondents at Newcastle Municipality.

5.2.3.1 Time management and the role of management staff

Respondents perceived that during the implementation of PMS in the municipality, the management dedicates more time, and plays an active role from beginning to end; the implementation also has clear goals and an understandable strategy. DuBrin (2010:6) holds that “effective leaders manage and effective managers also lead”. If the management does not play a leading role, subordinates will not value PMS and its utilisation in the municipality (De Waal & Counet, 2009:369). Furthermore, in the organisation, managers are responsible for clarifying goals and ensuring that the strategy is understood by everyone so that group efforts can be directed to a shared vision (Marr, 2009:4).

The respondents also believed that PMS takes more time than anticipated. In the municipality, planning is aligned to budgetary processes and the PM process, while the latter process takes longer and the former process is shorter (Padovani *et al.*, 2010:595). Therefore, it is inevitable that the nature of these two processes places demands on the shoulders of performance managers. Performance managers should continue to dedicate more time to PMS and to take a leading role for the purpose of ensuring that the system is effectively implemented. In this light, the above findings are accepted as they are consistent with PMS theoretical framework and should be promoted in the municipality. The municipality should, however, be careful that work pressure does not divert the attention of performance managers

away from PMS to short-term organisational problems which may not benefit the municipal overall performance (De Waal & Counet, 2009:368).

5.2.3.2 PMS as a tool for daily management of municipal activities

The researcher did not establish from the findings whether the implementation of PMS at Newcastle Municipality was implemented for compliance with legislation rather than as an internal control mechanism of the organisation; there was a tie between agreeing and disagreeing respondents. Nevertheless, there was a common feeling among the respondents in the municipality that PMS was not used for daily management of the organisation. These two test items were interconnected, despite being tested independently and phrased differently from each other; their focus was on PMS as a managerial tool and the extent to which it is used in the municipality. Internal control refers to the engagement of management control and systems formalised for accomplishing managerial functions (Padovani & Young (2012:32-33). It was indicated that monitoring and evaluation form part of managerial functions in performance management (Ile *et al.*, 2012:vi). Holroyd and Field (2012:5) identify planning, monitoring and controlling as managerial functions. The United Nations Development Programme (2009), cited in Ile *et al.* (2012:75), strongly believes that planning as a managerial function underlies successful performance.

From Görgens-Albino and Kusek's (2009:2) definition of managerial functions, it is deduced that failure to use PMS on a daily basis to monitor and evaluate the effectiveness of the municipal interventions implies that performance managers may not be able to collect data on specified indicators systematically to make informed decisions. Furthermore, performance managers may not be able to assess objectively whether municipal interventions are achieving a desirable performance in the allocation of resources such as effectiveness and efficiency.

Since it was not possible to establish whether PMS was implemented for the sake of compliance with legislation rather than as a managerial tool, and as the respondents were inconsistent in indicating their attitudes in both test statements, the findings of these two test statements are then rejected.

5.2.3.3 Resources and capacity, knowledge and skills pertaining to PMS implementation

The findings revealed that respondents believed that Newcastle Municipality does not have sufficient resources and the capacity vital for implementation of PMS. There was also a common feeling among respondents that knowledge and skills pertaining to the implementation of PMS are lacking in the municipality. In the context of this research, capacity was defined as the ability of the individuals, teams and institutions to carry out their duties of identifying and solving problems that impinge on development issues (Morgan, 1996, cited in Lusthaus *et al.* 1999:3; UNDP, 2010:2).

In the light of this definition and the findings in this regard, the employees, together with the municipality, may not be able to deliver services to the community effectively owing to the existing belief that the capacity to implement PMS does not exist in the organisation. Further to this belief, problems and possible solutions may not be identified as it is perceived by the majority of respondents that knowledge and skills are not available in the organisation. Managerial capacity is vital for effective service delivery and to improve performance in the public sector (Andrews & Boyne, 2010:443).

The greater part of a legislation framework in the municipality regulates capacity development. To name just a few, section 155(6) (b) of the Constitution of the Republic of South Africa as amended (1996) mandated the Provincial Government (PG) to stimulate capacity building and development of municipalities. Following this, the Municipal Systems Act No. 32 of 2000 was enacted to compel municipalities to cater for HRD. To be specific, section 68 of the Act stipulates the development of HRD strategy in the municipality to increase the skills capacity necessary for enabling employees to function effectively and efficiently.

The beliefs of respondents about existing resources and capacity as well as knowledge and skills pertaining to the implementation of PMS are inconsistent with the findings discussed in section 5.2.1 and 5.2.2 of this study. Welman *et al.* (2005:144) caution that questionnaires dealing with attitudes are prone to problems of distortion and suggest using more than one measure to counter such problems. Therefore, the findings on attitudinal items such as resources and capacity, and

knowledge and skills pertaining to the implementation of PMS in the municipality, are rejected.

5.2.3.4 Performance management culture and positive attitudes from employees

It is highlighted at Newcastle Municipality (2013:26,34) that culture plays a meaningful role in organisational PM. The findings confirmed that an organisational PM culture is in place in the municipality. Schein (2010), in Padovani and Young (2012:102) defines culture as a climate within which positive attitudes are encouraged and negative ones discouraged. In the light of this definition, promoting positive attitudes in the municipality may imply that employees will understand and accept the purpose of PMS in the organisation (De Waal & Counet, 2009:369). Therefore, the finding on the existence of a performance management culture in the municipality is accepted.

To promote and enhance the right organisational culture in the municipality, the system designers should take into account the overall cultural climate when designing PMS (Padovani & Young, 2012:103). This is premised on the foundation that performance is the result of both organisational and human behaviour (De Waal, 2003:688). Furthermore, to promote a positive climate, a change in senior management is required to support performance managers reporting to them (Newcomer & Caudle, 2011:122). Therefore, Newcomer and Caudle (2011:122) suggest a 'top-down approach' which is complemented by a 'bottom-up approach' in order to allow "flexibility and involvement of all staff and other stakeholders".

In an effort to integrate culture into PMS, Newcastle Municipality (2013:34) believes that an inappropriate culture may undermine PMS in the organisation. Following this, the responsibility of management teams at Newcastle Municipality (2013:26) is to discuss "departmental performance progress on a monthly basis" and "to instil a culture of collective management". From these duties it is expected that the management teams will be able to indicate whether or not positive attitudes towards PMS are lacking from employees in the municipality. However, the study found that the performance managers were undecided whether employees in the municipality lack positive attitudes towards PMS or not. The status quo with regard to employees'

positive attitudes was not revealed, and this finding is not accepted on the basis of this discussion.

5.2.4 Surprises

Surprises are unexpected outcome of the study (Roberts, 2004:176). It was surprising to observe the majority of respondents perceiving managerial knowledge and skills pertaining to the implementation of PMS as lacking in the municipality. The perception of respondents in this case opposed what they indicated earlier on in the findings discussed in section 5.2.1 and 5.2.2. A similar trend was also observed where the majority of respondents felt that the municipality does not have sufficient resources and capacity needed for implementation of PMS. Perhaps the respondents restricted their understating of resources and capacity to finances only, and ignored that capacity also refers to people and their capability.

It was also surprising that the study was unable to show whether or not PMS was implemented for compliance with legislation, rather than for internal control within the organisation, because of a tie between agreeing and disagreeing respondents. Furthermore, it was not possible to show whether or not positive attitudes were lacking from members in the organisation towards PMS as the majority of respondents were neutral.

5.3 Conclusion

The research at Newcastle Municipality was driven by a need to assess the available managerial knowledge, skills and attitudes required for implementing an effective PMS for organisational performance. The findings disclosed that the requisite managerial knowledge and skills are available at Newcastle Municipality. Therefore, it is concluded that managerial capacity at the municipality is adequate. Despite this conclusion, there is a minor but significant need to improve existing managerial skills. Furthermore, these findings bring a different perspective to the current body of knowledge which believes that managerial capacity is inadequate in government institutions.

It was not in the interest of this research to investigate what has contributed to the positive shift in knowledge and skills respectively; however the researcher assumes

that it was due to an interaction of performance managers and the existing KM-sharing practices in the municipality. Therefore, this warrants future research in this regard.

The findings on managerial attitudes revealed a mixture of reactions. Some did not reveal the status quo at the municipality, while others contradicted what was established about managerial knowledge and skills. Therefore, the researcher concludes that the entire managerial attitudinal aspects that were tested should be replicated. With these concluding remarks, specific recommendations are made in the next section.

5.4 Recommendations

The research conducted at Newcastle Municipality makes the following recommendations for both future research and for the municipality.

5.4.1 Recommendations for future research

The assumption that employees' interaction and sharing practice could have contributed to the available managerial knowledge and skills in the municipality should be confirmed by future research in order to add value to the existing scientific literature. Furthermore, the entire study conducted at Newcastle Municipality should be replicated in a similar setting in order to improve the reliability of the findings.

Owing to the discrepancies in attitudinal aspects, further research on all attitudinal test items is suggested. The researcher proposes a combination of quantitative and qualitative data-collecting methods for future research. A quantitative data collection-method will serve to survey existing attitudes, while a qualitative data-collection method will assist in explaining respondents' rationale for indicating particular attitudes and help the researcher to formulate a specific viewpoint of respondents' attitudes in the municipality.

5.4.2 Recommendations for Newcastle Municipality

The study proposes recommendations for the municipal PMS. It is therefore suggested that the Performance Management Framework for the Newcastle Municipality (Newcastle Municipality, 2013), as a policy guiding the implementation

of PMS, should be adjusted accordingly to capture and reflect on the overall performance management issues. The following are proposed recommendations:

- The municipality is commended for enhancing KM practices in the organisation and is advised to consider including these as a section in the Performance Management Framework, as well as to consider the establishment of a repository for storing information shared and generated.
- The municipal Performance Management Framework (2013) acknowledges the value of knowledge and skills improvement in the midst of PM. It is for this reason that the Performance Management Framework must be adjusted in order to explicitly show how Human Resource Management and Development Strategy or Human Resource Policies will play a role in employees' capacity development. As goodwill and a point of departure, reference is made to the Municipal Systems Act, 2000 (No. 32 of 2000) which compels the municipality to develop a Human Resource Development Strategy to give effect to section 56(b) of the Act.
- The researcher proposes the utilisation of the following existing policies as the Human Resources and Development Strategy. Furthermore, these policies should be authorised by the municipality, meaning that they should contain the organisational logo, proposal dates, amendment dates and be signed and adopted by a person in authority.
 - Internship Policy;
 - Human Resources Development Policy; and
 - Policy for the Granting of Bursaries and Study Assistance.
- The need for skills improvement was identified during the study and the following skills are recommended for immediate improvement as indicated in Table 4.12:
 - Change management;
 - Financial management;
 - Designing a performance measurement framework;
 - People management and empowerment; and
 - Setting key performance indicators.
- The municipality is advised to increase the personnel in the PMS unit so that the unit will be able to provide effective support to the various sections of the

organisation and play a leading role in skills improvement. It was highly evident from the findings that internally facilitated training was well received by fellow employees in the organisation.

- The municipal Performance Management Framework (2013) acknowledges the value of the PM culture in the organisation. For this reason it is advisable that the municipality plainly spells out the type of culture which will encourage positive attitudes and discourage negative ones. The researcher recommends that the municipality should consider the following:
 - Commitment from various role players;
 - Teamwork, sharing and collaboration of role players;
 - Value of PMS in organisational performance; and
 - Value and the role of all employees in organisational performance.
- Furthermore, the researcher proposes the adoption of a 'top-down approach' that is complemented by a 'bottom-up approach' as a strategy to promote organisational culture, and the involvement of all employees in the PM. Following this, the researcher proposes that the following role-players be the champions of the strategy:
 - Municipal Manager;
 - Strategic Executive Directors;
 - Directors; and
 - PMS Unit.
- The municipality is making strides to align its Performance Management Framework (2013) with the latest national governmental policies. It is imperative that the framework should also encompass the Government-Wide Monitoring and Evaluation (2007), together with the following underpinning policies:
 - Framework for Managing Programme Performance Information (2007); and
 - South African Statistical Quality Assessment Framework (2010).

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Annexures

Annexure A: Letter requesting authorisation

XX XXX XXXXXXXXX
Pioneer Park
Newcastle
2940
22 July 2013

**To: The Municipal Manager, Honourable Mayor and Councillors of
Newcastle Municipality**

**REQUEST TO CONDUCT AN ACADEMIC RESEARCH FOR THE PURPOSE OF
MASTERS THESIS IN PUBLIC ADMINISTRATION**

I am a resident in the above mentioned address from January 2007; nevertheless I have stayed in various areas under the jurisdiction of the Municipality since 2005. At the moment I am currently enrolled with Stellenbosch University for the Masters in Public Administration and required by the university that I submit an academic thesis for the fulfilment of the degree at this level. Due to a profound interest in Performance Management System and municipal governance, I have identified Newcastle Municipality as the potential catalyst that will make it possible for me to achieve my goals in this regard.

I therefore request permission and your support to conduct the academic research in your organisation on the following:-

Research Title:

An assessment of managerial knowledge, skills and attitudes required for implementing Performance Management System for organisational performance in Newcastle Municipality

Research question:

What are the available managerial knowledge, skills and attitudes required for implementing PMS for organisational performance in Newcastle Municipality?

Research objectives:

1. Assess the managerial knowledge available for implementing the Performance Management System in Newcastle Municipality.
2. Assess the managerial skills available for implementing the Performance Management System in Newcastle Municipality.

3. Evaluate the managerial attitudes towards the implementation of the Performance Management System.

The research I wish to conduct is neither intended to harm nor to degrade the municipality but I believe that the research outcomes will be of mutual benefit to the municipality and to my academic goals. I have therefore attached the following document for your perusal and to authenticate my request:-

1. My proof of registration with Stellenbosch University
2. Approval from Stellenbosch to conduct the research
3. The research proposal which will define the scope and the limitations of the research

I avail myself to discuss any issues and to clarify any concerns that might emerge as a result of my request. Furthermore I can be reached on 084 XXX XXXX or muzomuhle.bhengu@vodamail.co.za



I trust that your organisation will be able to accommodate my request and that the information furnished herein will BE adequate for your favourable decision. I thank you in advance.

Yours sincerely

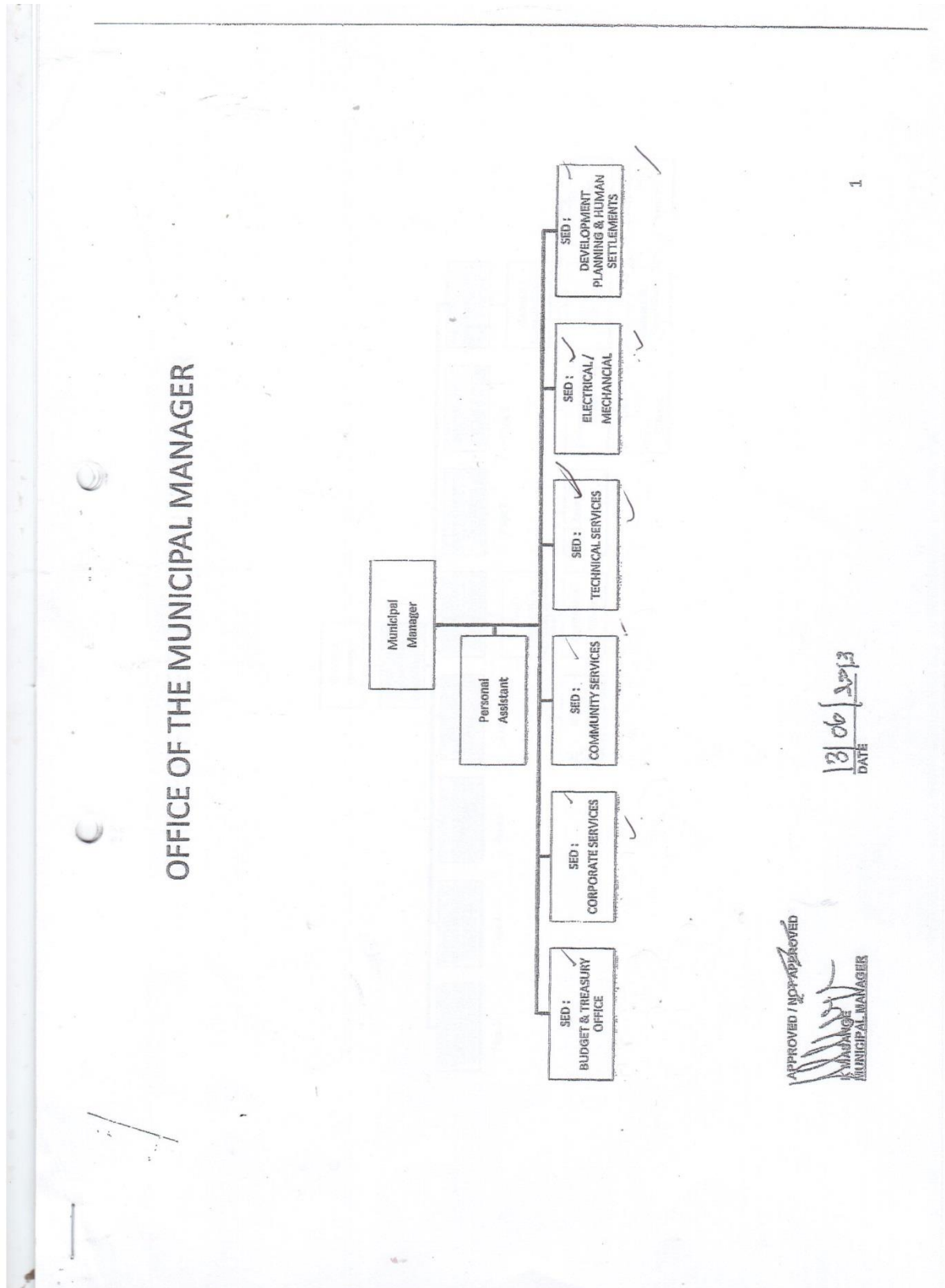


Muzomuhle Bhengu

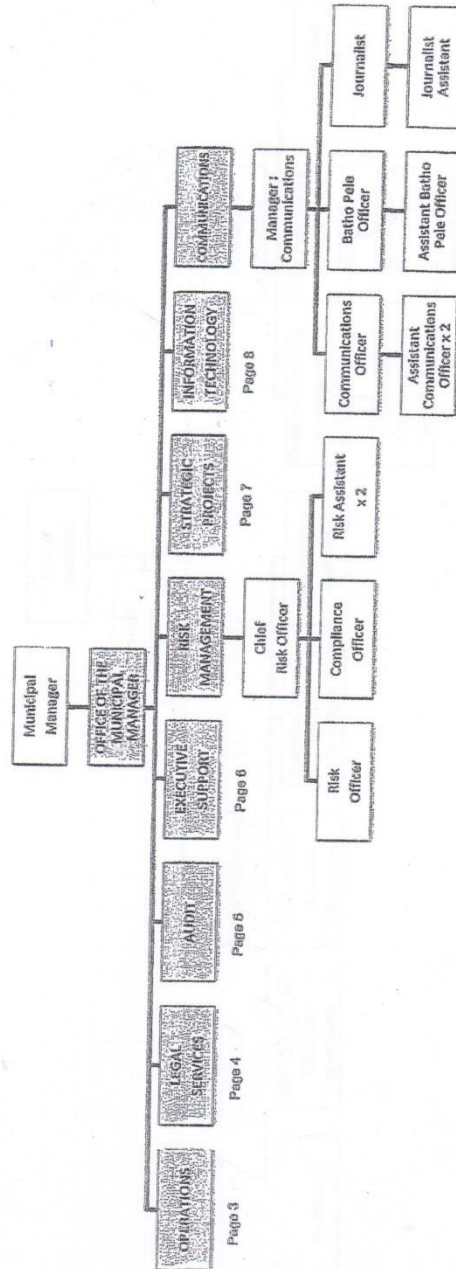
Annexure B: Letter granting authorisation

	NEWCASTLE KWAZULU NATAL	Munisipaliteit: Privaatsak X6621 Municipality: Private Bag X6621 Newcastle 2940
My Verw: HR 5/6/3/5 My Ref:	Navrae: Z ZONDI Enquiries:	TEL: (034) 328 3300 x 3405 Fax: (034) 328 3497 E-mail: Zipho.Zondi@newcastle.gov.za
Tel (034) 328 7600 Fax (034) 312 1570	14 October 2013	
Mr Muzomuhle Bhengu	Pioneer Park NEWCASTLE 2940	
Dear Sir	REQUEST TO CONDUCT AN ACADEMIC RESEARCH FOR THE PURPOSE OF MASTERS THESIS IN PUBLIC ADMINISTRATION	
Your letter of request to conduct an academic research dated 22 July bears reference.		
It is with pleasure to inform you that your request to conduct an academic research has been granted. The methodology that has been chosen for the research is suitable for the workplace and can be utilised effectively with minimal disruption to work. We embrace the sentiment that the outcomes of the research will be beneficial to the municipality and could be used as reference for the improvement of performance management.		
We wish you all the best with your academic endeavours.		
Yours faithfully		
 E HAUPTFLEISCH SED: COPORATE SERVICES		

Annexure C: Municipal management organogram



OFFICE OF THE MUNICIPAL MANAGER

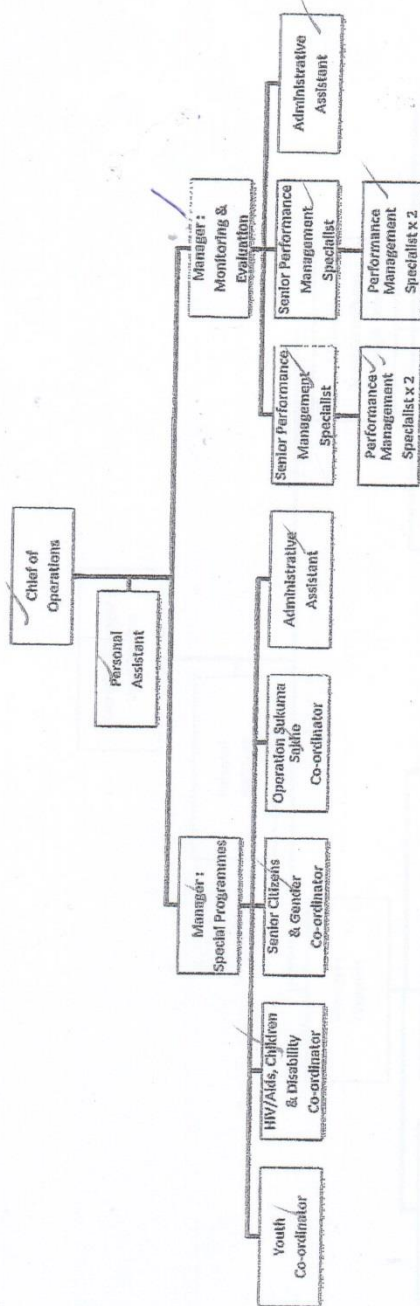


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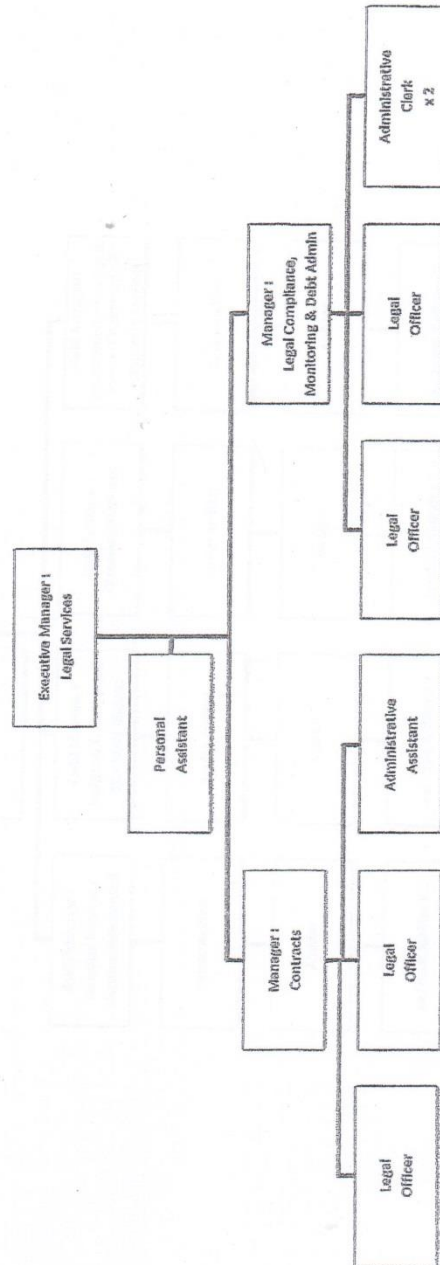


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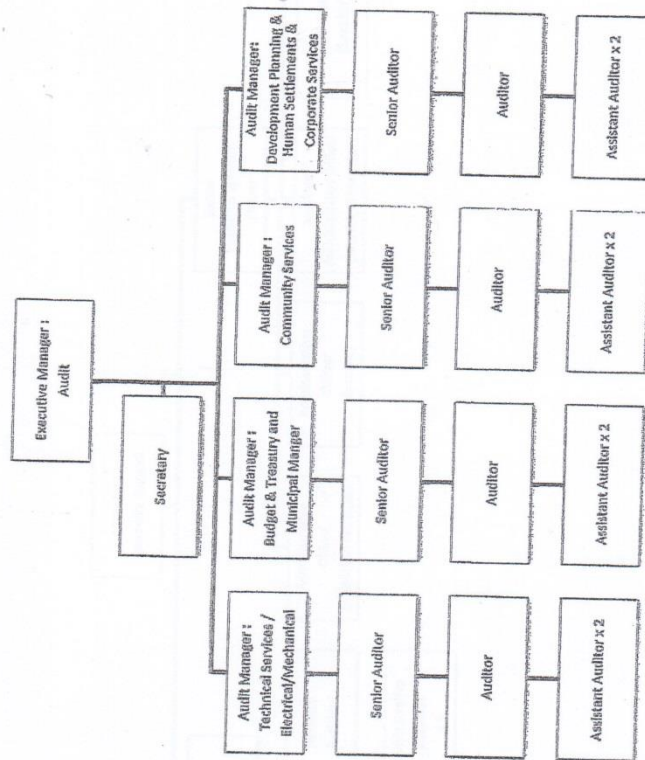


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13/6/2013
DATE

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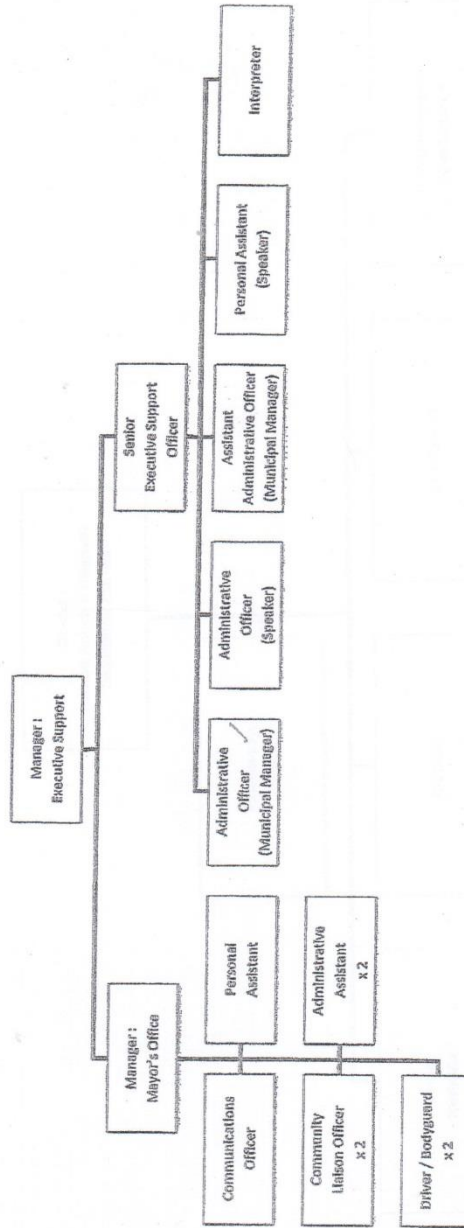


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EXECUTIVE SUPPORT



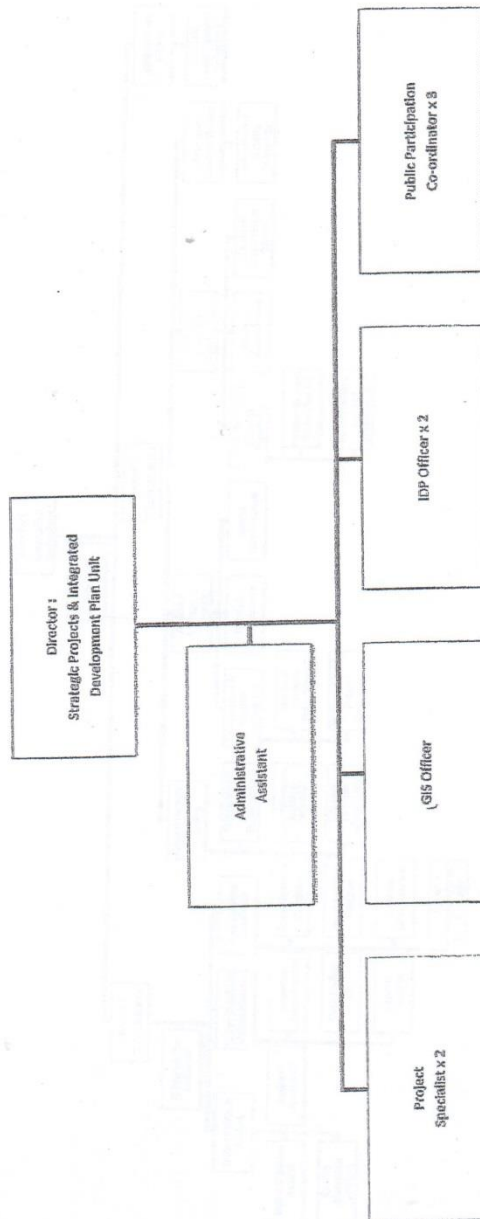
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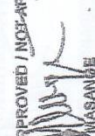
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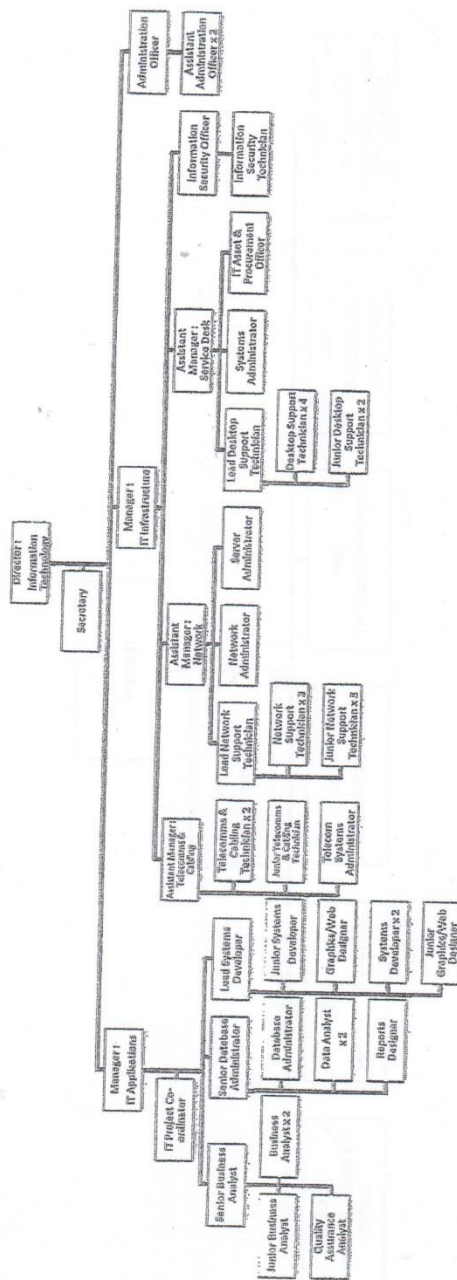
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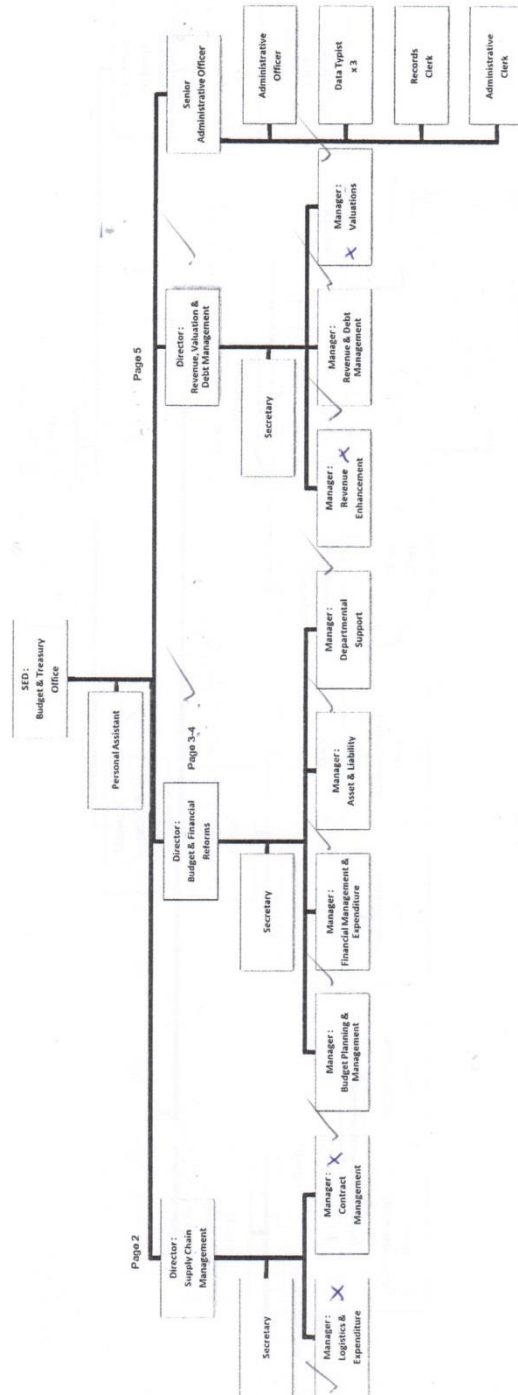


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K. MABANGI
MUNICIPAL MANAGER

DATE 13/6/2013

BUDGET & TREASURY OFFICE

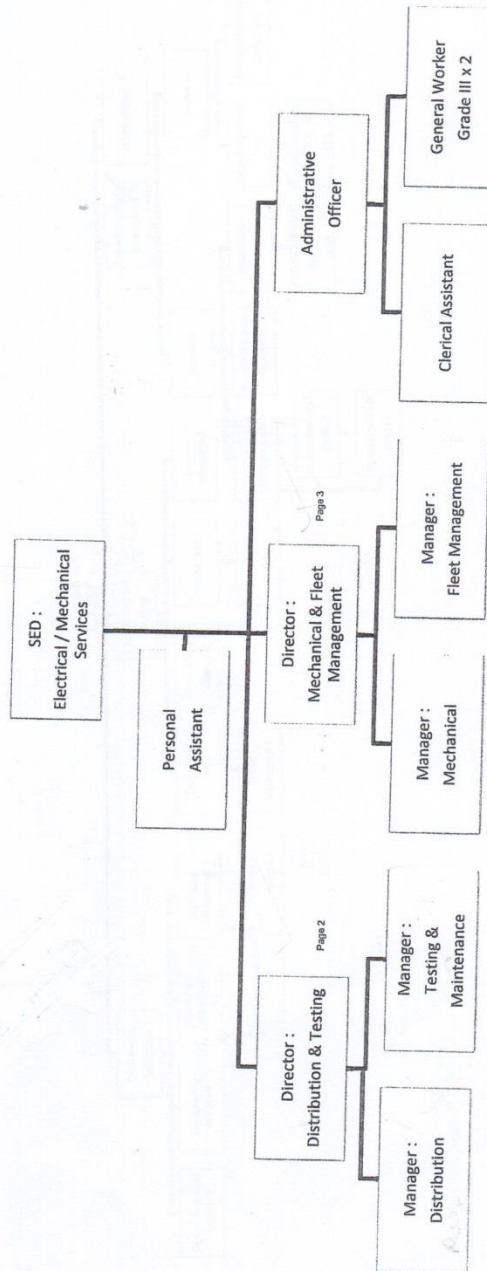


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ELECTRICAL / MECHANICAL SERVICES

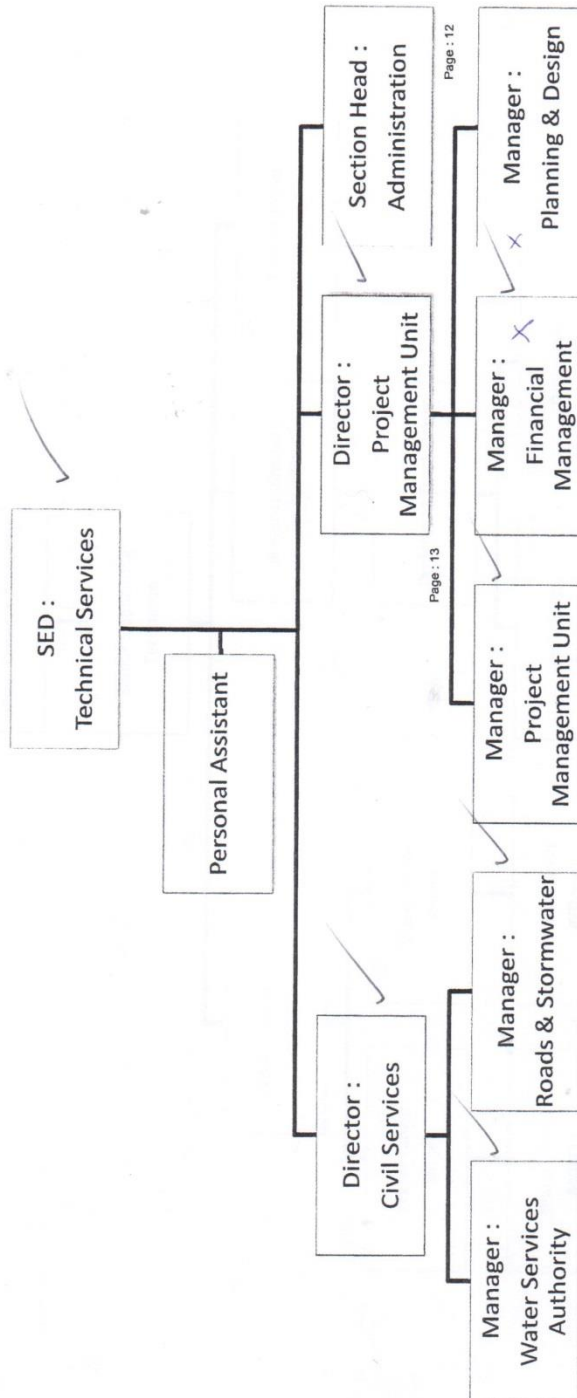


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 MUNICIPAL MANAGER

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TECHNICAL SERVICES

CIVIL SERVICES



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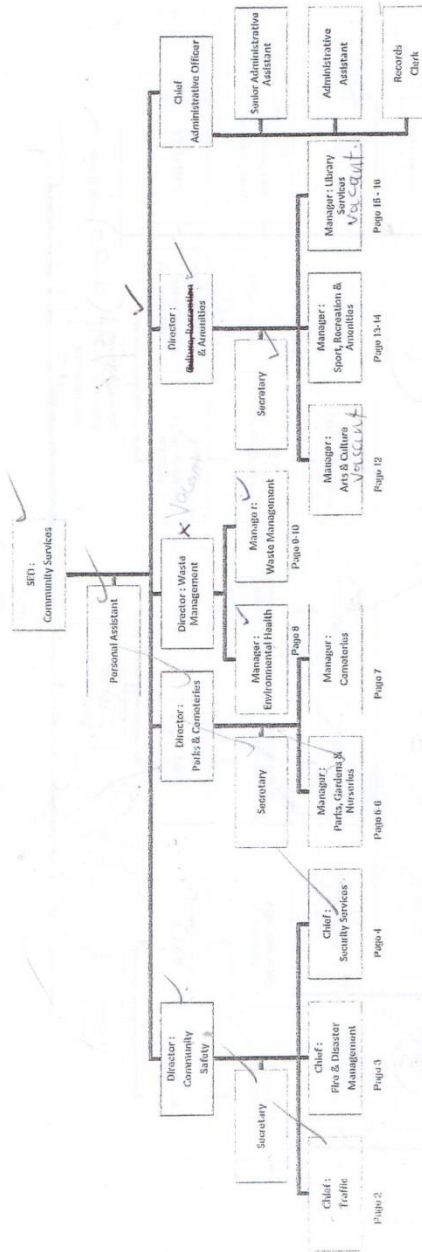
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K. MASANGE
MUNICIPAL MANAGER

COMMUNITY SERVICES

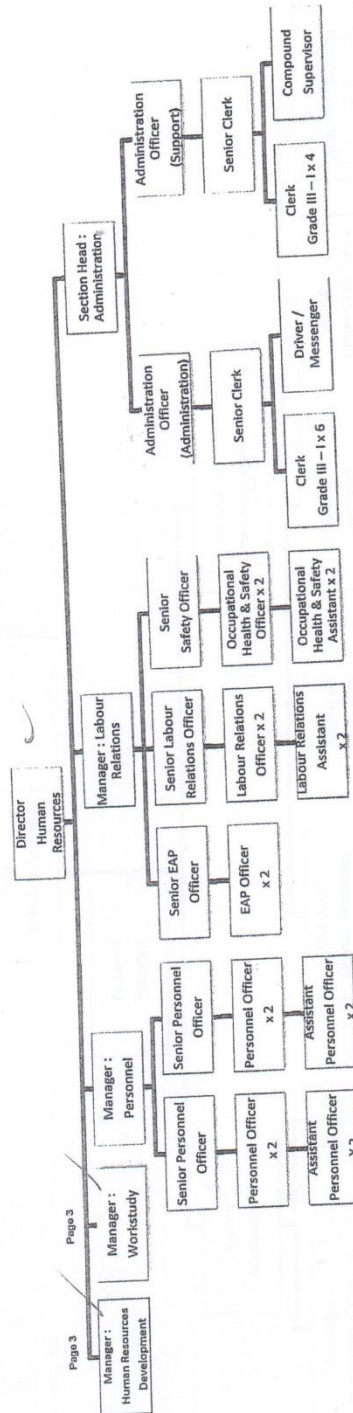


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CORPORATE SERVICES

HUMAN RESOURCES



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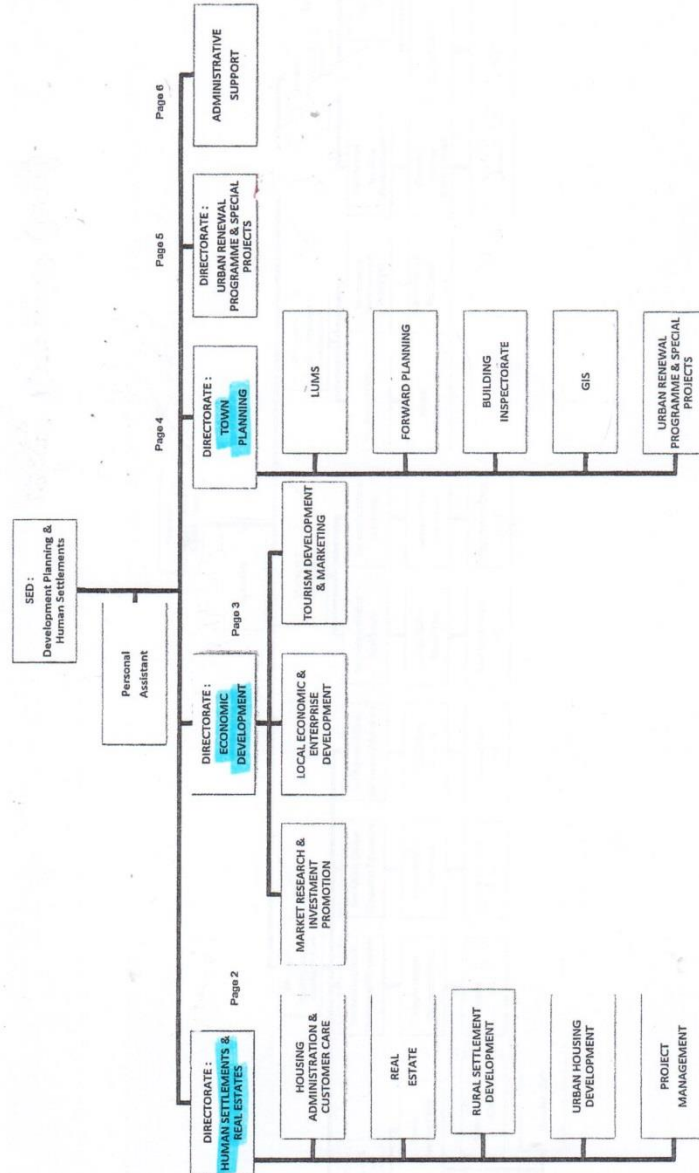
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DEVELOPMENT PLANNING & HUMAN SETTLEMENTS



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Annexure D: Data-collection tool

FOR REFERENCE USE ONLY
SEQUENCE NO: 001

MANAGERIAL KNOWLEDGE, SKILLS AND ATTITUDES RESEARCH QUESTIONNAIRE

SCHOOL OF PUBLIC LEADERSHIP

Researcher : **Mr Muzomuhle Bhengu**
Student No : **17438292**
Contact : **084 XXX XXXX**

IMPORTANT NOTES:

You are kindly requested to complete this questionnaire for the purpose of assisting the above-mentioned student to fulfil his partial requirements for the thesis in the degree of Master in Public Administration at Stellenbosch University.

- It should take approximately **15 MINUTES** to complete this questionnaire.
- All managers and employees in Performance Management Unit are eligible to complete this questionnaire.
- All the **FOUR** sections in this questionnaire must be completed.
- Your responses will be treated with **CONFIDENTIALITY** and **ANONYMITY**.
- Kindly exercise your **HONESTY** in completing this questionnaire.
- An electronic questionnaire is available on request and can be returned to muzomuhle.bhengu@vodamail.co.za after completion.
- A printed version of a questionnaire must be forwarded to a contact person at the municipality in a sealed enveloped provided.
- The details of the contact person are as follow:
 - o Name : **Mr. Zipho Zondi**
 - o Place : **Human Resource Department (Nedbank Building)**
 - o Telephone : **(034) 328 XXXX**
 - o E-mail : **Zipho.Zondi@newcastle.gov.za**

SECTION A: BIOGRAPHICAL DETAILS

Kindly cross (X) an appropriate box to indicate your choice.

- A1. Kindly indicate your age group.
- | | | |
|----|---------------|--------------------------|
| A) | Under 20 | <input type="checkbox"/> |
| B) | 21 – 30 years | <input type="checkbox"/> |
| C) | 31 – 40 years | <input type="checkbox"/> |
| D) | 41 – 50 years | <input type="checkbox"/> |
| E) | 51 – 60 years | <input type="checkbox"/> |
| F) | 61+ years | <input type="checkbox"/> |
- A2. Kindly indicate your race group.
- | | | |
|----|----------|--------------------------|
| A) | Black | <input type="checkbox"/> |
| B) | Coloured | <input type="checkbox"/> |
| C) | Indian | <input type="checkbox"/> |
| D) | White | <input type="checkbox"/> |
| E) | Other | <input type="checkbox"/> |
- A3. Kindly indicate your gender.
- | | | |
|----|--------|--------------------------|
| A) | Male | <input type="checkbox"/> |
| B) | Female | <input type="checkbox"/> |
- A4. Kindly indicate your area of operation.
- | | | |
|----|------------------------------|--------------------------|
| A) | Line manager | <input type="checkbox"/> |
| B) | Accounting Officer | <input type="checkbox"/> |
| C) | Director | <input type="checkbox"/> |
| D) | An employee in PMS | <input type="checkbox"/> |
| E) | Strategic Executive Director | <input type="checkbox"/> |
- A5. Kindly indicate the number of years of operation or experience.
- | | | |
|----|---------------|--------------------------|
| A) | Under 1 year | <input type="checkbox"/> |
| B) | 2 – 5 years | <input type="checkbox"/> |
| C) | 6 – 10 years | <input type="checkbox"/> |
| D) | 11 – 15 years | <input type="checkbox"/> |
| E) | 16 – 20 years | <input type="checkbox"/> |
| F) | 21+ years | <input type="checkbox"/> |
- A6. Kindly indicate your highest educational qualification obtained.
- | | | |
|----|---|--------------------------|
| A) | None | <input type="checkbox"/> |
| B) | Lower than Matric | <input type="checkbox"/> |
| C) | Matric | <input type="checkbox"/> |
| D) | Higher Certificates or Advanced National Certificates | <input type="checkbox"/> |
| E) | Diploma and Advanced certificates | <input type="checkbox"/> |
| F) | Bachelor's degree and Advanced Diplomas | <input type="checkbox"/> |
| G) | Honours degree and Post Graduate Qualifications | <input type="checkbox"/> |
| H) | Master's degree | <input type="checkbox"/> |
| I) | Doctor's degree | <input type="checkbox"/> |
| J) | Other not mentioned above | <input type="checkbox"/> |

SECTION B : MANAGERIAL KNOWLEDGE REQUIRED FOR IMPLEMENTING PMS

This section consists of 10 statements. Please consider each statement carefully and rate the extent to which you **Agree** or **Disagree** with the items by crossing (X) an appropriate box. Where 1 to 5 is equal to:-

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Code	Statement	Scale
B1	I use the knowledge I have to identify the desired performance and to determine performance objectives.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B2	I rely on my knowledge to identify solution strategies to the performance challenges that impinge on organisational success.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B3	When I plan a programme I know how to conceptualise it into a theory of change (logic model).	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B4	I promote knowledge management and knowledge sharing practices in the organisation when I improve organisational performance.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B5	I know what the Developmental Local Government is aiming to achieve in a period of transformation.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B6	I have detailed knowledge on how to interact planning, budgeting and implementation.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B7	I have detailed knowledge about the context in which my organisation operate under, its people and the existing politics.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B8	I am familiar with the implementation of PMS in my organisation and I can relate the knowledge I have to others.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B9	I know how to conceptualise, analyse and to implement policies at municipality and how to relate them to broader government policies such as GWM&E.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
B10	I have knowledge of more than one municipal functional field or discipline and understand how my organisation is related to other institutions in South Africa.	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>

SECTION C : MANAGERIAL SKILLS REQUIRED FOR IMPLEMENTING PMS

This section consists of 6 leading questions. Please consider each question carefully and cross (X) an appropriate box to indicate your choice.

- C1. Which of the following PMS training have you received? You may tick more than once.

None	<input type="checkbox"/>
Inducted during the implementation	<input type="checkbox"/>
On the job training	<input type="checkbox"/>
Job specific training	<input type="checkbox"/>
Short courses	<input type="checkbox"/>
Professional development	<input type="checkbox"/>

- C2. How long was the training you have received? Please tick only one.

0 days	<input type="checkbox"/>
1- 6 days	<input type="checkbox"/>
More than a week	<input type="checkbox"/>
12 months	<input type="checkbox"/>
More than a year	<input type="checkbox"/>

- C3. How was this training provided to you? You may tick more than once.

No training was provided to me	<input type="checkbox"/>
Self-taught through job or job specific training	<input type="checkbox"/>
In house training facilitated by organisational member(s)	<input type="checkbox"/>
External training providers funded by self	<input type="checkbox"/>
External training providers funded by the organisation	<input type="checkbox"/>

- C4. What was the overall quality of training you have received? Please tick only one.

Excellent	<input type="checkbox"/>
Good	<input type="checkbox"/>
Average	<input type="checkbox"/>
Below average	<input type="checkbox"/>
Poor	<input type="checkbox"/>
Not sure	<input type="checkbox"/>

- C5. Rate your confidence in the following skills by crossing (X) an appropriate box. Where 1 to 5 is equal to:-

1	2	3	4	5
Very bad	Bad	Neutral	Good	Very good
Financial management		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
People management and empowerment		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Leadership for strategic planning and decision making		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Programme and project management		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Change management		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Knowledge management		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Problem solving and analysis		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Report writing and communication of performance		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Interpretation and implementation of legislation		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Designing a performance measurement framework		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Monitoring and evaluation of performance		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Research practice and methods		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Planning of performance		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Setting key performance indicators		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		
Drafting of improvement plans based on recommendations		1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>		

- C6. Which of the following skills would you like to improve? You may tick more than once.

Financial management	<input type="checkbox"/>
People management and empowerment	<input type="checkbox"/>
Leadership for strategic planning and decision making	<input type="checkbox"/>
Programme and project management	<input type="checkbox"/>
Change management	<input type="checkbox"/>
Knowledge management	<input type="checkbox"/>
Problem solving and analysis	<input type="checkbox"/>
Report writing and communication of performance	<input type="checkbox"/>
Interpretation and implementation of legislation	<input type="checkbox"/>
Designing a performance measurement framework	<input type="checkbox"/>
Monitoring and evaluation of performance	<input type="checkbox"/>
Research practice and methods	<input type="checkbox"/>
Planning of performance	<input type="checkbox"/>
Setting key performance indicators	<input type="checkbox"/>
Drafting of improvement plans based on recommendations	<input type="checkbox"/>

SECTION D : MANAGERIAL ATTITUDES REQUIRED FOR IMPLEMENTING PMS

This section consists of 10 statements. Please consider each statement carefully and rate the extent to which you **Agree** or **Disagree** with the statements by crossing (X) an appropriate box. Where 1 to 5 is equal to:-

1	2	3	4	5
Strongly disagree	Disagree	Neutral	Agree	Strongly agree

Code	Statement	Scale
D1	Management dedicates less time on the implementation of PMS	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D2	The implementation of PMS takes more time and effort than anticipated	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D3	There is a lack of positive attitude from members in the organisation towards PMS	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D4	The PMS implementation does not have clear goals and understandable strategy	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D5	Management plays an active role in implementation of PMS from beginning to the end	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D6	PMS is implemented for complying with legislation rather than to focus on it as an internal control tool of the organisation	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D7	The PMS is not used for the daily management of the organisation	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D8	There is a lack of knowledge and skills pertaining to the implementation of PMS	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D9	The municipality does not have sufficient resources and capacity vital for implementation of PMS	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>
D10	The organisation does not have a performance management culture	1 <input type="checkbox"/> 2 <input type="checkbox"/> 3 <input type="checkbox"/> 4 <input type="checkbox"/> 5 <input type="checkbox"/>

Thank you for spending the time to complete this questionnaire. Your support is appreciated.

Annexure E: E-mail requesting meeting

Muzomuhle Bhengu

From: Muzomuhle Bhengu <muzomuhle.bhengu@vodamail.co.za>
Sent: 12 June 2014 05:25 PM
To: @newcastle.gov.za'
Cc: @newcastle.gov.za'
Subject: Request for an appointment to conduct a research survey questionnaire
Importance: High

To the Director and the Management Team reporting to him/her

Dear sir/Madam

I am candidate for a masters' degree in Public Administration at the University of Stellenbosch. I am currently in an ongoing process of collecting data for my research thesis titled **AN ASSESSMENT OF MANAGERIAL KNOWLEDGE, SKILLS AND ATTITUDES REQUIRED FOR THE IMPLEMENTATION OF PMS IN NEWCASTLE MUNICIPALITY** that was approved by the municipality on the 14th of October 2013. You are being asked to join this study because of your management role in Newcastle Municipality. Your participation is voluntary and the purpose of this email is to request that you participate in this study through attending a focus group that will last for approximately 20 minutes where a brief survey questionnaire will be completed to assist me in my research. The questionnaire is a once off data collection and no further involvement from you as participants will be required thereafter.

In the light of the above, I would like to request an appointment with you and your managers between the 17th – 20th June 2014 (next week) during your working hours. Should you not object I propose the following times:

- 09: 30 on the 18 June 2014 as I would be meeting Ms [REDACTED] and her team by 09:00 on the same day.
- 14:30 on the 17/18/19 June 2014
- Alternatively from 14:00 on the 20 June 2014

If you have any questions or concerns regarding your participation in this research study, you could direct all questions to myself on the following contact details: Cellphone 084 [REDACTED] 2275 or email me at muzomuhle.bhengu@vodamail.co.za

Your continued support in this regard will be highly appreciated and will ensure that I achieve my academic goals.

I thank you in advance while I also await your feedback regarding the appointment.



Bhengu Muzomuhle

Annexure F: Municipal skills development policies

INTERSHIP POLICY : NEWCASTLE MUNICIPALITY

1. PREAMBLE

South Africa is faced with a problem of unemployment especially among the youth and women. This problem is exacerbated by lack of skills coupled with lack of formal work experience among the youth. As a contribution in trying to alleviate the situation, the Newcastle Municipality accepts graduate interns to gain the necessary work experience after completion of their studies.

2. PURPOSE

- 2.1 To provide unemployed graduates valuable work experience and skills to improve their chances of employability.
- 2.2 To address youth unemployment especially tertiary graduates by providing workplace experience.
- 2.3 To resolve the general shortage of qualified and skilled people in the workforce by encouraging graduates to equip themselves with necessary practical experience.
- 2.4 To expose interns to job and career opportunities within local government
- 2.5 To provide the Municipality with an opportunity to compile a database of prospective employees for future recruitment purposes.

3. SCOPE OF APPLICATION

- 3.1 Candidates shall be students, who have completed a diploma / degree or have recognized formal training from a registered institution of higher learning.
- 3.2 They should be unemployed South African citizens, from all racial groups, who have not been exposed to work experience related to the area of study.
- 3.3 Candidates should reside within the boundaries of Newcastle Local Municipality.

4. SCREENING

- 4.1 The recruitment, selection and placement of interns is a Human Resources Development function and must be performed in consultations with the relevant department.
- 4.2 Departments shall submit a list of interns they require as per their field of study and relevance with the functions of the respective departments to Human Resources Development. Human Resources Development shall then invite applications from interns who reside within the jurisdiction of

1. INTRODUCTION

- 1.1 This policy document sets out the parameters in terms of which the municipality may financially assist permanent employees to acquire necessary qualifications. This in turn is expected to enable them to perform specific occupational, general administrative and technical tasks aimed at establishing a more dynamic public service. The bursary policy should support the strategic objectives of the municipality.
- 1.2 It should be pointed out that each application for a bursary must be judged on its own merits and prior consideration will be given to applicants who wish to study in fields where difficulty is being experienced in the recruitment of suitably qualified staff. Therefore, persons who wish to study should give careful consideration to the field of study in terms of their capabilities and aptitudes when deciding on a course of study. Employees not qualifying for financial assistance should however be encouraged to pursue and be given advice on alternative studies to equip themselves better in their present employment and future careers.

2. SCOPE

- 2.1 This policy is applicable to all permanent employees, employees appointed in terms of section 56 of the Municipal Systems Act (Act 32 of 2000) as well as Councillors of the Newcastle Municipality.
- 2.2 All references made to employees, is regarded as a reference made to those referred to in 2.1 above.
- 2.3 Bursaries and financial assistance will be applicable for all qualifications with a minimum of 120 credits as per the National Qualifications Framework.

3. OBJECTIVES

The objectives of the bursary scheme are:

- 3.1 to provide financial assistance to employees who intend pursuing studies or qualifications that exceed one academic year.
- 3.2 to grant financial assistance to employees who undertake studies where there is a critical shortage of personnel with suitable qualifications within the Municipality, and where these posts cannot be readily filled through the recruitment of suitably qualified people.
- 3.3 to make use of the Affirmative Action (AA) initiatives to support and address the Employment Equity (EE) in terms of Employment Equity

NEWCASTLE MUNICIPALITY

HUMAN RESOURCES DEVELOPMENT POLICY

Preamble

The principal aim of this policy is to provide clear guidelines and provide a framework for training, development and education of the staff & Councillors of Newcastle Municipality. Integration of training initiatives and alignment of the training strategy with the strategic plan and other human resources policies is the key to a meaningful and successful implementation of the organisation's training policy. This policy is aimed at achieving all this as well as to ensure the alignment of the Municipality's Training and Development Strategy with the Sector Skills and Development Strategy and other broad initiatives on training and development of staff & Councillors in the organisation.

1. Objectives

The objective of this policy could be summarised as follows:

- A culture of lifelong learning
- A skilled and empowered workforce
- Impact directed training
- Competency based training and development
- A **centralized** approach to training and development initiatives
- Well co-ordinated and effectively and efficiently monitored training and development programme

2. Mandates

The Municipality's policy has been developed based on the following:

- Management and employee needs in relation to performance management
- HRM policies and guidelines of the Municipality
- Skills Development Act, 97 of 1998
- Skills Development Levies Act, 9 of 1999
- Municipal Finance Management Act, 56 of 2003
- Labour Relations Act, 66 of 1995
- South African Qualifications Authority Act, 58 of 1995
- National Skills Development Strategy 2005-2010
- National Human Resource Development Strategy 2005 – 2010
- Employment Equity Act, 55 of 1998
- Municipal Systems Act, 32 of 2000
- Municipal Structures Act, 117 of 1998

3. Guidelines

4.1. Learning Principles:

The Municipality's training, development and education policy has been developed in accordance with the following learning principles:

Access and entitlement to training and development:

The Municipality should create and make accessible on ongoing basis meaningful opportunities for staff training, education and development.

Needs based training:
